

2020-2021 PROPOSED BUDGET & FINANCIAL PLAN



Milpitas Transit Center and BART Station



City Hall



Community



Future Development: 355 Sango Court
(100% Affordable Housing)



City of Milpitas

Community Vision

Milpitas will preserve its close-knit community and rich cultural diversity as it moves with innovation into the future by supporting sustainable growth and development, ensuring public safety, enhancing the environment and natural landscape, and nurturing landscape, and nurturing family and community connections.

Our Values

- Superior Customer Service
- Open Communication
- Integrity and Accountability
- Trust and Respect
- Recognition and Celebration

Organizational Mission

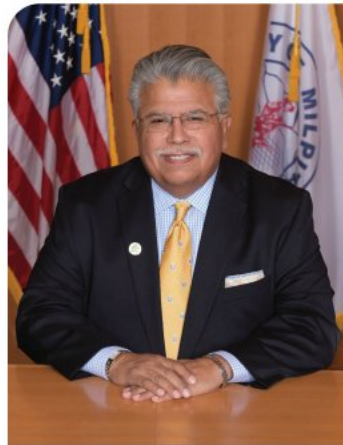
The City of Milpitas is committed to accomplishing the community's vision by providing fiscally sound, superior services.



City Council



Rich Tran
Mayor



Bob Nuñez
Vice Mayor



Karina R. Dominguez
Council Member



Carmen Montano
Council Member



Anthony Phan
Council Member



Council Priority Areas



Community Wellness and Open Space

Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.



Economic Development and Job Growth

Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.



Environment

Promote a sustainable community and protect the natural environment.



Governance and Administration

Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.



Neighborhoods and Housing

Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.



Public Safety

Continue to invest in police and fire protection, in partnership with our community.



Transportation and Transit

Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.

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May 4, 2020



Honorable Mayor and City Council

Members of the City Council:

Consistent with my duties as Interim City Manager as outlined in the City's Municipal Code, I am submitting a balanced Fiscal Year 2020-21 Proposed Budget for your consideration. As discussed during the April 7, 2020 City Council meeting, this Proposed Budget and the Ten-Year General Fund Financial Forecast (Forecast) reflect the current understanding of our economic environment as brought about by the COVID-19 Pandemic. At the time of developing this Forecast, we had little economic data available to us and the impacts to our economy are still not fully understood. It is clear that the economic impact of a nationwide and global partial or full lockdown will have a tremendous impact on our national, regional, and local economies; the intensity of the impact, however, will unfold over the next weeks and months. At the time of writing this transmittal letter, the first economic data for the month of March started to be published. As reported in the weeks of April 13 and April 20, leading economic indicators showed the worst monthly declines since World War II and/or the collection of data as more fully described in the Economic Outlook section of this transmittal letter. To mitigate the economic impact of the nationwide and global partial or full lockdown, the President working with Congress signed the Coronavirus Aid, Relief and Economic Security (CARES) Act and other fiscal stimulus packages into law totaling \$2.5 trillion to provide widespread relief for the private and public sector, and individual Americans. Currently, Congress is working on another fiscal stimulus bill.

This Fiscal Year 2020-21 Proposed Budget is based on the Forecast presented to you early April, which assumes we will resume normal economic activities within the next 12 to 18 months. With that assumption, staff projected to face shortfalls during the next three fiscal years totaling \$25 million. Regarding the current fiscal year, the fiscal impact of the Pandemic is estimated to be \$7.1 million primarily due to a loss in Transient Occupancy Tax or hotel tax. At the May 5th Council Meeting, staff will bring forward recommendations to re-balance the current budget. In response to this year's projected shortfall of \$7.1 million, I instituted a non-essential hiring and expenditure freeze mid-March while focusing resources in support of the City's COVID-19 response. In the coming weeks and months, the economic impact related to COVID-19 will become more apparent and could possibly be more abrupt. If the City's financial outlook worsens, we will bring forward budget balancing recommendations during FY 2020-21.

While developing the early April Forecast, staff started to work on budget solutions. Primarily through refining the City's budgeting methodology for personnel costs, reduction in non-personnel expenditures, suspension of the annual transfer of \$500,000 from the General Fund to the Storm Drain Fund for two fiscal years, and deferring the Council approval to issue debt for the Fire Station #2 replacement project from April to September of this year, staff was able to reduce the shortfall for the next three fiscal years by approximately \$15 million from \$25 million to \$10 million. As shown in Table 1 below, to balance the FY 2020-21 Proposed Budget and the projected shortfall for FY 2021-22 and FY 2022-23, staff recommends the use of reserves (\$10 million) until the General Fund is projected to achieve a surplus in FY 2023-24. This Proposed Budget continues to fund the same service level for our community with very minor changes and does not eliminate positions.

Table 1 – Three-Year Fiscal Strategy

	FY 20-21 Proposed Budget	FY 21-22 Forecast	FY 22-23 Forecast	FY 23-24 Forecast	FY 24-25 Forecast
Revenues	\$112.57	\$118.58	\$127.72	\$135.03	\$139.25
Expenditures	(117.16)	(123.64)	(128.35)	(133.56)	(139.23)
Surplus/(Deficit) prior to Use of Reserves	(4.59)	(5.06)	(0.63)	1.47	0.02
Use of Reserves	4.59	5.06	0.63	0.00	0.00
Net Operating Results	\$0	\$0	\$0	\$1.47	\$0.02

During the last three fiscal years of positive economic times, the Council set aside nearly \$62.7 million in reserves in preparation for recessionary periods. For example, as part of the adoption of the FY 2018-19 budget, the City Council established the Budget Stabilization Reserve (BSR). The BSR, per the Council approved Reserve Policies, shall be used to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be rebalanced within existing budget resources in any given fiscal year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. The BSR is currently funded at one month of operating expenditures, or \$9.5 million. Staff recommends increasing the target for the BSR to two months of General Fund operating expenditures as discussed in more detail in this transmittal letter.

Economic Outlook

On March 13, the President of the United States declared a National Emergency concerning the Novel Coronavirus Disease (COVID-19) Outbreak. On Monday, March 16, 2020, the County of Santa Clara, and six of the most populous counties in the region, announced a shelter-in-place order in light of the increased number of cases of COVID-19 that had been confirmed in Santa Clara County. The shelter-in-place order went into effect at 12:01 am on Tuesday, March 17. Initially, the order was supposed to be in effect through Tuesday, April 7; however, on March 31, it was extended through May 3, 2020. On March 19, Governor Newsom issued a statewide shelter-in-place order.

As stated above, the economic impact of a nationwide and global partial or full lockdown will have a tremendous impact on our national, regional, and local economies. Economic data released during the weeks of April 13 and April 20 was sobering. Retail sales plunged 8.7% in March, the worst monthly decline on record. Industrial Production dropped 5.4% in March, the worst monthly decline since 1946. Housing starts (which was arguably the least bad report this week) declined 22.3% in March to an annual pace of 1.216 million, although the pace was 1.4% higher on a year-over-year basis. The Federal Reserve's Beige Book report (based on information collected on or before April 6) indicates that economic activity has contracted "sharply and abruptly" across all regions of the country and most Federal Reserve Districts expect conditions to worsen in the next several months. On April 15, the International Monetary Fund, in its latest outlook for the world economy, expects global GDP to contract by 3% in 2020. On April 23, the Department of Labor reported that the jobless claims rose another 4.4 million, bringing the total number of claims to more than 26.5 million since March 14. The federal government is scheduled to release its first estimate of the first quarter of Gross Domestic Product on April 29, 2020. Overall, first quarter GDP is expected to be negative, driven by a steep contraction in economic activity in March. The decline in second quarter GDP is anticipated to be much more severe.

The Coronavirus Aid, Relief and Economic Security (CARES) Act, a \$2 trillion fiscal stimulus package, provides widespread relief for the private and public sector, and individual Americans. The legislation designates \$339.8 billion for state and local governments; \$377 billion towards small businesses; \$560 billion for individuals; \$500 billion for corporations; and \$69 billion towards other projects including education and federal safety net programs such as food banks and food stamps. On April 24, the President signed a \$480 billion stimulus package into law to deliver aid to small businesses and hospitals and expand COVID-19 testing. Additionally, the Federal Reserve Bank (the Fed) has announced it will provide up to \$2.3 trillion in loans to support the economy. According to Fed officials, this funding will assist households and employers of all sizes and bolster the ability of state and local governments to deliver critical services during the coronavirus Pandemic.

The regional, national and global efforts to contain the Pandemic, mostly through restrictions on travel and movement of people, have had and will continue to have a significant impact on the regional, national and global economies. Locally, the Great Mall has been closed, business travel generating overnight hotel stays has decreased substantially with some hotels closing their doors, and construction activity has mostly ceased unless permitted by the County's shelter-in-place order. Therefore, the General Fund Forecast and this Proposed Budget assume substantial reductions in revenue for the Transient Occupancy Tax (TOT), Sales Tax, and fees related to construction activity. However, tax revenue data for the months impacted by COVID-19 will not be available until after the printing of this Budget. The City is scheduled to receive monthly TOT remittances for the month of March by April 30th. First quarter sales tax numbers will be available from the State by end of May/early June. However, the Sales Tax numbers will be skewed because the Governor issued an executive order providing a 90-day extension in state and local taxes, including sales tax. The California Department of Tax and Fee Administration (CDTFA) will offer a 90-day extension for businesses to file tax returns and pay taxes, as long as the business files a return less than \$1 million.

The first data indicating a slow-down in economic activity are receipt of fees related to construction activity, which are presented in the Licenses and Fees revenue category in this budget. For the first nine months of the current fiscal year, Licenses and Fees generated \$8.5 million with an average revenue amount of \$1 million for the first eight months of the fiscal year. In the month of March, this revenue category only generated approximately \$350,000 in revenue potentially signifying a substantive drop in construction activity and revenue for the coming months.

As economic impact data becomes available and the impact on the City's revenues becomes clearer, staff may have to return to the Council with mid-year FY 2020-21 budget adjustments for Council consideration.

FY 2019-20 Budget

As stated above, the FY 2020-21 Proposed Budget continues to fund the same service level with very minor changes. The FY 2020-21 citywide budget of \$220.4 million has decreased by \$27.5 million, or 11.1 percent, in comparison to the Fiscal Year 2019-20 Adopted Budget of \$247.9 million. Citywide, full-time equivalent (FTE) benefited positions are increasing by 2.0 positions from 437.25 positions to 439.25 positions, or 0.5 percent. This increase in positions is part of a cost-saving budget proposal to insource daytime janitorial services. It is important to note that in October 2019, the City Council approved the addition of 6.0 Firefighter positions partially funded through a federal SAFER Grant for three years.

As shown in Table 2 below, the FY 2020-21 Proposed Budget is balanced with \$220.4 million in revenues and use of reserves (including Transfers In) and \$220.4 million in expenditures (including Transfers Out). The FY 2020-21 revenue across all funds of \$220.4 million is a net decrease of \$27.5 million, or 11.1%, compared to the FY 2019-20 adopted revenue of \$247.9 million. This is primarily due to lower revenues in the General Fund related to the Pandemic and reduced bond financing. The FY 2020-21 expenditures across all funds of \$220.4 million is a net decrease of \$27.5 million, or 11.1%, compared to FY 2019-20 adopted expenditures of \$247.9

million. This is primarily due to a decrease in Operating Transfers-Out and Capital Improvements expenditures. In FY 2019-20, Operating Transfers-Out included a \$6 million transfer to General Government CIP, an increased one-time transfer in the amount of \$3.2M from the Gas Tax Fund to CIP projects, and the \$0.5M transfer from the General Fund to Storm Drain CIP Fund, which is recommended to be suspended for the next two Fiscal Years as a budget balancing strategy. The decrease in expenditures in the CIP is primarily due to the decreased funding for the San Jose/Santa Clara Regional Wastewater Facility project in the amount of \$17 million.

Table 2 – FY 2020-21 Citywide Budget Summary (All Funds)

Citywide Revenues and other Financing Sources

	FY 2019-20 Adopted Budget	FY 2020-21 Proposed Budget	% Change from Prior Year Adopted
General Fund	\$115.6	\$112.6	(2.6)%
Use of Reserves	6.0	4.6	(23.3)%
General Fund Total	121.6	117.2	(3.6)%
Housing Authority	1.6	0.7	(56.3)%
Other Funds	19.0	15.7	(17.4)%
Water Fund	36.5	40.4	10.7 %
Sewer Fund	42.8	26.8	(37.4)%
Net Operating Funds Total	221.5	200.8	(9.3)%
Capital Projects Funds	26.4	19.6	(25.8)%
Total	\$247.9	\$220.4	(11.1)%

Citywide Expenditures

	FY 2019-20 Adopted Budget	FY 2020-21 Proposed Budget	% Change from Prior Year Adopted
Personnel Services	\$104	\$105.6	1.5 %
Supplies & Contractual Services	56.7	57.6	1.6 %
Capital Outlay	1.6	2.0	25 %
Operating Transfers Out	21.7	11.9	(45.2)%
Subtotal	184.0	177.1	(3.7)%
Capital Improvements	62.5	39.7	(36.5)%
Debt Service	1.4	3.6	157.1 %
Total	\$247.9	\$220.4	(11.1)%

General Fund

The Fiscal Year 2020-21 Proposed General Fund budget of \$117.2 million is balanced with \$112.6 million in estimated revenues and \$4.6 million use of reserves. The Fiscal Year 2020-21 General Fund revenues are estimated at \$112.6 million, a decrease of \$6.2 million, or 5.2, percent in comparison to the Fiscal Year 2019-20 General Fund revenue estimate of \$118.8. The decrease in revenue is primarily due to reductions in estimates from Transient Occupancy Tax (TOT), Sales Tax, and fees related to construction activity. As of the writing of this transmittal letter, staff is relying on anecdotal and observed evidence of very low to zero occupancy levels in hotels, closed shops and restaurants, and a slowdown to halt in construction activity as well as the revenue reductions experienced during the Great Recession over a decade ago. Reductions in revenue started to occur in March; however, monthly tax proceeds data for TOT and quarterly tax proceeds data for Sales Tax will not be available until early May and end of May 2020, respectively. The first data of a slow-down in economic activity are receipt of fees related to construction activity as previously discussed. At this time, little impact to property tax receipts is expected for fiscal year 2020-21 because the tax roll for the upcoming fiscal year was set in January 2020. However, if this downturn affects the real estate market significantly, the County Tax Assessor may reduce property valuations next fiscal year in accordance with Proposition 8, which will affect the supplemental property tax income in the next fiscal year. Proposition 8, which voters approved in 1978, allows the property to be temporarily reassessed at a lower value consistent with real estate market conditions.

The Fiscal Year 2020-21 General Fund expenditures of \$117.2 million are \$1.6 million, or 1.4% higher, in comparison to the Fiscal Year 2019-20 General Fund expenditures of \$115.6 primarily due to increase in salaries (\$2.6 million) offset by suspending the Storm Drain Fund transfer (\$0.5 million), reductions in supplies and services (\$0.4 million), and reductions in benefits costs (\$0.1 million) due to a refinement in personnel cost budgeting. General Fund revenues and expenditures are discussed in detail in the Ten-Year General Fund Forecast section of this document.

Starting this year, staff developed a Ten-Year General Fund Financial Forecast primarily to demonstrate the full impact of pension related changes. When the California Public Employees Retirement System (CalPERS) changes actuarial assumptions of the pension portfolio such as lowering the interest earning assumption or the demographic assumptions, such changes become fully effective seven years after CalPERS Board approval. Similarly, the full impact of the anticipated economic contraction on the CalPERS investment portfolio for the year ending on June 30, 2020 will not be fully reflected in the ten-year financial forecast until Year 7 of the Forecast because CalPERS phases in the increased pension contribution costs to offset the portfolio's investment loss.

The table below shows the FY 2021-2030 Ten-Year General Fund Financial Forecast. Over the ten years of the Forecast based on information available late March, staff projects annual net operating results between deficits of \$5 million and surpluses of \$1.5 million with net cumulative annual operating results of negative \$18.2 million. Consistent with the three-year fiscal strategy outlined above, staff recommends using reserves until the projected surplus shown in FY 23-24. In the out-years of the Forecast, expenditures consistently outpace revenues.

Table 3 – Ten-Year General Fund Financial Forecast with Use of Reserves

	FY 20-21 Proposed Budget	FY 21-22 Forecast	FY 22-23 Forecast	FY 23-24 Forecast	FY 24-25 Forecast
Revenues	\$112.57	\$118.58	\$127.72	\$135.03	\$139.25
Expenditures	(117.16)	(123.64)	(128.35)	(133.56)	(139.23)
Surplus/(Deficit) prior to Use of Reserves	(4.59)	(5.06)	(0.63)	1.47	0.02
Use of Reserves	4.59	5.06	0.63	0.00	0.00
Net Operating Results	\$0	\$0	\$0	\$1.47	\$0.02

	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	FY 29-30 Forecast
Revenues	\$143.45	\$147.94	\$152.57	\$157.32	\$162.23
Expenditures	(143.81)	(149.17)	(154.47)	(159.99)	(165.48)
Net Operating Results	(\$0.36)	(\$1.23)	(\$1.90)	(\$2.67)	(\$3.25)

Utility Funds

The City's Utility Funds for the Water and Sewer utilities are balanced. On February 19, 2019, the City Council adopted Ordinance Nos. 120.48 and 208.53, adjusting water, recycled water, and sewer service charges and fees for Fiscal Years FY 2018-19 through FY 2022-23. In accordance with the rate ordinances, Water and Sewer rates will increase by approximately 6 percent and 8 percent, respectively. For a typical single-family residential household the bi-monthly water charge will increase by \$6.47 from \$122.57 to \$129.04; and the bi-monthly sewer charge will increase by \$8.55 from \$102.52 to \$111.07. The combined monthly increased cost for a typical single-family residential household will be \$7.51.

With the increased water rates, the Water Utility is better positioned to respond to water system gaps including infrastructure expected to be identified in the Water Master Plan currently under way and ensure compliance with the American Water Infrastructure Act (AWIA). The Master Plan and risk assessment component of AWIA will be completed by December 2020. The increased water rates will also ensure sufficient funds are available to pay for projected wholesale rates from our two providers for future years. Similarly, the sewer rate increase will better position the Sewer Utility to cover anticipated funding needs for CIP especially with many unknowns regarding the modernization of the San Jose/Santa Clara Regional Wastewater Facility (RWF).

Capital Improvement Program

On April 14, the City Council held a Study Session and discussed the Draft FY 2020-2025 Capital Improvement Program (CIP). A summary of the draft CIP can be found in this document as resources from various funds are transferred to capital projects annually. The draft FY 2020-21 Capital Improvement Program funding in the amount of \$39.7 million is \$22.8 million less than the FY 2018-19 Adopted CIP of \$62.5 million, primarily due to the decreased funding for the RWF project in the amount of \$17 million. Also, due to the General Fund shortfalls projected over the next three fiscal years, staff evaluated for deferral projects that had general government funding. This review resulted in approximately \$7.8 million of savings. Of these savings, \$2.1 million is allocated to new and existing projects proposed for FY 2020-21; \$1.6 million is recommended to be reserved in the General

Government Fund for programmed capital expenditures in the five-year CIP; and the remaining savings of \$4.1 million is added to the existing fund balance increasing the estimated FY 2019-20 Ending Fund Balance/ FY 2020-21 Beginning Fund Balance by approximately \$4 million from \$4.1 to \$8.1 million. A portion of the estimated fund balance may be utilized to address the projected shortfalls in the General Fund as discussed in this document

Council Priority Areas

During the FY 2020-21 Preliminary Budget Study Session held on January 28, the City Council reaffirmed its seven priority areas to guide the development of the Budget.



Community Wellness and Open Space: Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.



Economic Development and Job Growth: Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.



Environment: Promote a sustainable community and protect the natural environment.



Neighborhoods and Housing: Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.



Public Safety: Continue to invest in police and fire protection, in partnership with our community.



Transportation and Transit: Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.



Governance and Administration: Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.

Citywide Budget Process and Community Engagement

The budget process is an exercise in fiscal strategic planning that involves overall guidance from the City Council, input from the community, and close coordination between the executive team and numerous staff budget representatives across all departments. At the FY 2020-21 Preliminary Budget Study Session, the Council reaffirmed the Council Priority Areas, referred specific service level changes to staff for exploration, and directed a robust community outreach program. An update on Council referrals from the Study Session will be submitted as part of the staff report for the Operating Budget Study Session scheduled for May 14, 2020.

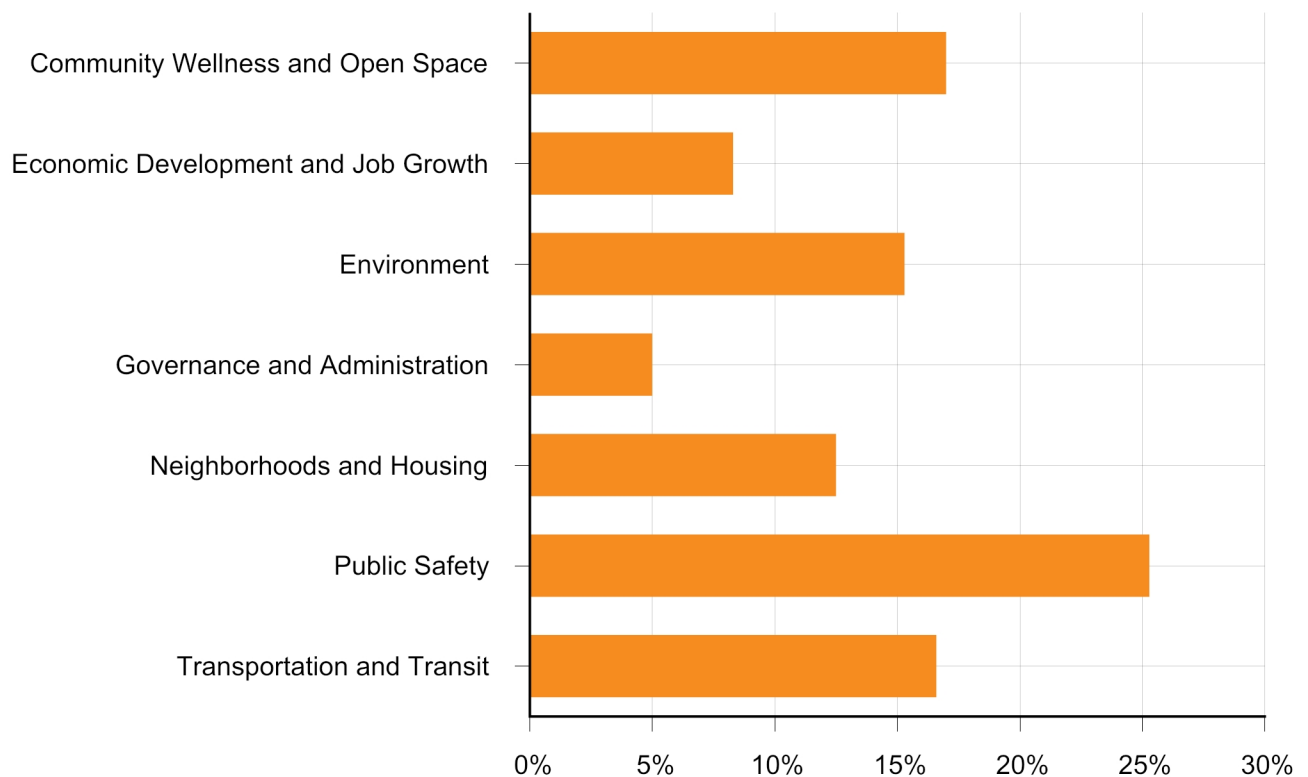
Based on Council direction, staff prepared four budget committee meetings scheduled to be held between mid-March and mid-April, an online survey, and outreach to all commissions. However, on Monday, March 16, 2020, the County of Santa Clara, and six of the most populous counties in the region, announced a shelter-in-place order in response to the increased number of cases of COVID-19 that had been confirmed in Santa Clara County. The shelter-in-place order went into effect at 12:01 am on Tuesday, March 17. Initially, the order was supposed to

be in effect through Tuesday, April 7; however, on March 31, it was extended through May 3, 2020. To allow staff to focus on the Pandemic, community engagement efforts were suspended except for the online survey. Further, the fiscal impact from the Pandemic required staff to focus on updating the January 2020 Preliminary FY 2021-2030 Ten-Year General Fund Financial Forecast and develop the Three-Year Fiscal Strategy versus offering virtual budget meetings.

Prior to the January 28 Budget Study Session, staff launched the Open Townhall online survey. The online survey offered in Chinese, English, Spanish and Vietnamese asked respondents to "spend" imaginary money on what they think are the most important of the seven Council Priority Areas. As of April 13, 2020, the City received 239 responses, mostly from residents, to the survey. The dollars respondents allocated to each Council Priority Area shows how important, in the aggregate, a particular Priority Areas is. Based on these responses, Public Safety was ranked as the most important Council Priority Area with 25.0% of the allocations, followed by Community Wellness and Open Space (17.0%), and Transportation and Traffic (16.6%).

Graph 1 - Town Hall Survey Response as of April 13, 2020

Percent of 'Dollars' allocated to Council Priority Areas



Internal City Manager budget review meetings were held in March and April to discuss and prioritize the requests that aligned with the Council Priority Areas and were requested by staff. Once the impact of the coronavirus Pandemic became clear, only a few staff identified priorities were moved forward for inclusion in this budget and the four largest departments were asked to submit non-personnel expenditure reductions which only minimally impact service levels.

Due to the shelter-in-place order, the proposed Fiscal Year 2020-21 budget calendar as presented at the January Budget Study Session had to be adjusted. For example, the Capital Improvement Program Study Session to discuss the City's FY 2020-2025 CIP Budget, initially scheduled for March 24, was held on April 14. The Study Session for the Fiscal Year 2020-21 Master Fee schedule had to be canceled and the master fee schedule will be brought forward for Council consideration and adoption at the May 5th City Council meeting.

Proposed Service Level Changes

As discussed, this Proposed Budget addresses the shortfall of \$25 million for the next three years as projected early April mostly through refinement in personnel cost budgeting and ongoing non-personnel expenditure reductions, while not eliminating positions or reducing service levels to our community. This budget preserves existing service levels with slight changes (grouped below by City Service Area) consistent with Council Priority areas as approved at the January 28 Preliminary Fiscal Year 2020-21 Budget Study Session. The proposed service level changes reflect additions which are legally required; respond to City Council referrals from the Budget Study session; address safety issues; or reduce costs.

The FY 2020-21 Proposed Budget slightly increases the authorized position count by 2.0 FTEs from 437.25 FTEs to 439.25 FTEs associated with a proposal to insource swing shift custodial services resulting in cost savings. It is important to note that in October 2019, the City Council approved the addition of 6.0 Firefighter positions partially funded through a federal SAFER Grant for three years.

In FY 2018-19, the City structured its operations into City Services Areas or CSAs that foster interdepartmental coordination of efforts, resources, and goals. Service level changes are described briefly within each CSA section below and in more detail in the Department Budget sections including statements regarding the performance outcome and impacts if the service level change is not approved.

Public Safety CSA

(Fire and Police)

Service Level Changes

1. Patrol Officer Positions Classification (\$140,500)

This action adds 3.0 Police Officer positions and deletes 3.0 Patrol Officer positions to ensure that all sworn positions can be assigned the same duties. As the Milpitas Police Department continues to fill vacant positions and build staffing to a suitable level, the focus has been to hire employees at the Police Officer classification. Recently, the Community Service Officer classification was added. The job duties of the Community Service Officer classification mirror the duties of a Patrol Officer classification with the exception of prisoner transports. The reclassification of these three positions will increase responsive police services such as patrol services, traffic, investigations, and community relations in alignment with crime suppression strategies and community needs.

2. Police Department Contractual Services Funding Reduction (-\$75,000)

This action reduces most funding for contractual services and radio repair and maintenance primarily related to the outdated Police radio system. The City recently switched over to the county-wide 700 MHz radio infrastructure administered by the Silicon Valley Regional Interoperability Authority (SVRIA). The City will still maintain the old system as a back-up during this transitional period.

3. Fire Department Non-Personnel Expenditure Reductions (-\$267,000)

This action reduces various non-personnel expenditures in the context of limited staff work capacity, historical spending, COVID-19 unknowns/risks, EMS needs, expected travel/training restrictions, and social distancing required for an extended period. The most significant reductions are for travel and training, contractual services, public education supplies, equipment replacement, and computer software for Fire/EMS analytics. Regional fire departments are currently collaborating on a county-wide data analytics initiative, which will reduce the cost for the Fire Department.

Community Development CSA

(Building and Housing, Economic Development, Planning, Engineering - Land Development, Fire Prevention)

Service Level Changes

1. Housing Element Consultant (\$80,000 one-time)

This action adds one-time funding for Housing Element consultant services. California State Law requires cities and counties to conduct a Housing Element Update on a regular basis. This study is to produce a Housing Element that demonstrates Milpitas' ability to accommodate the housing need that will be identified in its 2022 - 2030 Regional Housing Needs Allocation (RHNA).

Community Services and Sustainable Infrastructure CSA

(Engineering-Capital Improvement Programs, Recreation and Community Services, and Public Works)

Service Level Changes

1. Portable Generators for Water Pump Stations (\$500,000 one-time)

This action provides one-time funding for the acquisition of three portable generators, which will be assigned to water pump stations. In preparation for catastrophic power failure events such as Public Safety Power Shutoff events (PSPS), earthquakes, and other events that could trigger a power failure, portable backup generators are necessary to ensure power continues at the City's critical pump stations.

2. Portable Generator for Sewer Pump Stations (\$200,000 one-time)

This action will add one portable trailer generator at Venus Pump Station to increase the reliability of the sewer system pumping sewage to the San Jose/Santa Clara Regional Wastewater Facility.

3. USA Locate Contractual Services (\$201,000)

This action funds ongoing contractual services for locating and accurately marking the location of the City's underground utility facilities on the surface of the ground upon request prior to excavations by contractors as required by State law. This is a health and safety requirement with the purpose of preventing contractors from damaging underground infrastructure. Following several high-profile incidents such as the San Bruno gas explosion, the State has increased the requirements for locating of underground utilities, and there are significant penalties for non-compliance. The City has to respond to calls for the Water, Sewer, Stormwater and Fiber-optic undergrounded utilities.

4. Neighborhood Cleanup (\$84,000)

In response to a City Council referral, this action adds funding for Neighborhood Cleanups (i.e. Dumpster Days) for the community. This proposal is based on the Neighborhood Cleanup program offered previously by the City whereby the City is divided into two main areas and twice a year debris boxes will be located at either local schools or neighborhood parks for each City area. Residents in the designated area are able to bring unwanted materials, furniture, or appliances to the debris boxes for disposal or recycling.

5. Recycle Right and Food Waste Prevention Education (\$80,000)

This action funds contractual services and supplies for community education efforts to increase recycling and prevent food waste. Various State laws are placing increasing requirements on cities to divert recyclables and organics from landfill. The City is required to implement a mandatory commercial recycling (MCR) and mandatory commercial organics (MCO) waste recycling program that includes education, outreach, monitoring of regulated/covered businesses and inspection of residential collection containers. A more robust education campaign is needed to respond to these State mandates and current conditions in the international recyclables markets to ensure that residents and businesses understand and participate properly in the City's programs.

6. After School Program Enhancement (\$13,000)

This action adds temporary salaries and supplies to increase the service level for the City's After the Bell program by serving an additional 15 children; increasing from 60 children to 75 children. The cost is offset with participant tuition fees. The exact offset is unknown, as some participants in this program are eligible for the Milpitas Assistance Program and are expected to use their eligible discounts to reduce their fee by as much as 75%.

7. Janitorial Services Staffing (-\$65,000)

This action adds 1.0 Maintenance Custodian III position and 1.0 Maintenance Custodian II position to improve janitorial services at City facilities (Sports Center, Community Center, Senior Center, Police Department, Police Substation, and Sal Cracolice) offset with a reduction in contractual services. Adding in-house custodial services through the reduction of locations serviced by the janitorial service contract will improve customer service and allow for increased flexibility of scheduling janitorial services in City rental facilities.

8. Public Works Non-Personnel Expenditure Reduction (-\$191,000)

This action reduces contractual services, repair and maintenance, supplies, and training and travel budget allocations consistent with recent expenditure history while ensuring sufficient funding for specialized and safety related training.

9. Recreation Department Personnel and Non-Personnel Expenditure Reduction (-\$237,000)

This action reduces temporary salary, overtime, contractual services, supplies, and membership budget allocations consistent with recent expenditure history partially offset with donations received over the past several years for Special Events, Youth Programs, Youth Aquatics Programs, and Senior Programs with minimal impact on service delivery.

Leadership and Support Services CSA

(City Council, City Manager, City Attorney, City Clerk, Finance, Human Resources, and Information Technology)

Service Level Changes

1. Minimum Wage and Wage Theft Ordinance Compliance Contractual Services (\$15,000)

This action adds contractual services for the compliance management of the City's Minimum Wage Ordinance and Wage Theft Policy. On February 21, 2017, the Milpitas City Council adopted Ordinance No. 292 to establish a city-wide minimum wage and on March 20, 2018, Milpitas City Council adopted Ordinance No. 295 establishing a City-wide Wage Theft Policy. This action will fund contractual services with the City of San Jose's Office of Equality Assurance (OEA) to manage the City's programs including

annual updates of the minimum wage, responding to written and telephonic inquiries, and investigating all aspects of complaints received. The City of Milpitas will still be responsible for enforcement actions, if any.

2. Risk Management Staffing (net \$0)

This net zero action adds 1.0 Financial Analyst position and deletes 1.0 vacant Finance Technician position to establish a robust Risk Management function consistent with a Council referral from the January 28 Preliminary Budget Study Session offset with reductions in contractual services. At the FY 2020-21 Preliminary Budget Study Session the Council advocated for a more robust Risk Management Program. This position will also be responsible to manage the City's debt portfolio and oversee the firm which manages the City's investment portfolio effective FY 2020-21.

Amendments to Fiscal Policies and Budget Guidelines

As part of the annual budget process, staff reviews the Fiscal Policies and Budget Guidelines, which can be found in a separate section of this budget document. These policies and guidelines set the fiscal framework for the annual budget process and long-term financial decisions. Below please find a summary of recommended changes to the Fiscal Policies and Budget Guidelines. A red line version of the recommended changes will be submitted as part of the staff report for the Operating Budget Study Session scheduled for May 14, 2020.

Changes to Fiscal Policies

The City's Fiscal Policies are broken down into General Financial Goals; Operating Budget, Revenue, and Expenditure Policies; Utility Rates and Fees; Capital Budget Policies; Debt, Reserve, and Investment Policies; and Accounting, Auditing, and Financial Reporting Policies. It is important to note that the City Council also adopted separate debt and investment policies consistent with State law.

At the January 28 Preliminary FY 2020-21 Budget Study Session, Council referred to staff to develop a Rate Stabilization Reserve (RSR) policy for the Water and Sewer utility enterprise funds and to require that the utility funds contribute to the Public Employees Retirement System (PERS) Rate Stabilization Reserve. The policy funding goal for the RSR for both utility funds will be at least 16.67%, or two months of the respective annual operating expenditures, after the Capital Reserve requirements have been met. The RSR will be used to mitigate the effects of occasional shortfalls in revenue or unanticipated expenditures that cannot be rebalanced within existing budgeted resources in any given fiscal year for various reasons. Per Council input, the RSR funding will be phased-in within five years, or sooner, by allocating surplus funds as determined as part of the fiscal year end closing process or reclassifying existing unassigned ending fund balances.

Per the existing Reserve Policies, the City will maintain in the General Fund in a Section 115 Trust a Public Employees Retirement (PERS) Rate Stabilization Reserve. The City's actuary has determined that the General Fund portion of the Unfunded Actuarial Liability for the Miscellaneous Retirement Plan is 84.9% and for the Water and Sewer Utility Enterprise Funds portion is 8.5% and 6.6%, respectively. Therefore, staff proposes that the utility funds also contribute to the PERS Rate Stabilization Reserve after the Capital Reserve and Rate Stabilization Reserve (RSR) requirements in the Water and Sewer Utility Funds have been met.

In response to the COVID-19 economic impact and the use of reserves to balance the budgets for the next three fiscal years, as currently projected, staff proposes to increase the funding requirement of the General Fund Budget Stabilization Reserve from one month of operating expenditures to two months of operating expenditures, or 16.67%, consistent with recommendations from the Government Finance Officers Association. Further, staff recommends that prior to allocating any General Fund year-end surplus to any other reserve, the General Fund Contingency and Budget Stabilization Reserve requirements have to be met. This means that foreseeable fiscal year-end surpluses will be allocated to fund the BSR.

The City has set aside in its financial statements \$2 million for potential claims against the City. Staff recommends to explicitly budget for this reserve and expand its purpose. The recommended fiscal policy statement states that, “the City will maintain a General Liability and Workers’ Compensation Claims Reserve of \$2 million in the General Fund, which will be reviewed for adjustments annually.” If Council approves this recommendation, this reserve will be established as part of the approval of the FY 2019-20 Comprehensive Annual Financial Report.

The remaining changes consist of alignments between the Fiscal Policies and other Council approved policies such as the Debt Policy; updates to reflect actual practices such as the timing of the submission of the Quarterly Financial Status Report to the City Council; and clarifications.

Changes to Budget Guidelines

Through adoption of this budget, the City Council also approves the Budget Guidelines found in a separate section of this document. The Budget Guidelines set forth the Basis of Budgeting; Budget Calendar requirements; form and content of the City Manager’s Proposed Budget; adoption of the Budget by June 30th; the City Manager’s budget authority; requirement that budget amendments be approved by the City Council; budget transfers and modification procedures; automatic adjustments and re-appropriations; budget monitoring and reporting; and reserve requirements for all funds.

The major changes to the Budget Guidelines include updates to the form and content of the City Manager’s Proposed Budget to reflect changes as presented in this budget document; the renaming of the appropriated Contingency Reserve to Unanticipated Expenditure Reserve; a recommendation to authorize the City Manager to hire overstrength positions under certain conditions; updates to reflect actual practices such as the reporting of expenditures from the Unanticipated Expenditure Reserve as part of the Quarterly Financial Status Report; and clarifications.

Staff is seeking authority to hire full-time employees in overstrength positions for no more than one year as long as appropriations are not exceeded to ensure adequate staffing levels for sworn positions, facilitate training of new employees by the outgoing incumbent or respond to urgent staffing needs. The filling of sworn Police and Fire positions requires an extensive recruitment process including a detailed background check. Once recruits are hired, they are trained through academies and field training which may take up to one year before recruits are deployed. Therefore, sworn positions may be vacant for over one year. By authorizing overstrength positions, the period to fill vacant positions can be reduced and authorized sworn staffing levels can be better maintained.

Reserves

The City Council, through fiscally prudent actions, has built up the General Fund and Utility Funds reserve levels by setting aside nearly \$62.7 million in reserves during the last three fiscal years in preparation for recessionary periods. In support of increasing reserve levels to counter recessionary periods, staff recommends increasing the reserve requirements for the General Fund and Utility funds. For the General Fund, staff recommends increasing the funding requirement of the General Fund Budget Stabilization Reserve (BSR) from one month of operating expenditures to two months of operating expenditures, or 16.67%, consistent with recommendations from the Government Finance Officers Association. Further, staff recommends that prior to allocating any General Fund year-end surplus to any other reserve, the General Fund Contingency and Budget Stabilization Reserve requirements have to be met. Given the recommended three-year fiscal strategy, this will mean that foreseeable fiscal year end surpluses will be allocated to fund the BSR. For the Utility Funds, as a referral from the January 28 Budget Study Session, the Council asked staff to return with a recommendation to establish a Rate Stabilization Reserve (RSR) with a funding goal of at least 16.67% or two months of the respective annual operating expenditures after the Capital Reserve requirements have been met. Per existing Reserve Policies and recommendations discussed above, the table below sets the reserve target amounts for the Contingency Reserve and the BSR at 16.67% of the FY 2018-19 General Fund actual expenditures of \$107.4 million.

As of February 18, 2020, the total General Fund Reserves are \$99.0 million of which \$16.1 million is classified as non-spendable and assigned and \$82.9 million as unassigned and committed as shown in detail in the table below. On May 5, 2020, staff will present recommendations to the City Council to rebalance the FY 2019-20 Amended Budget by reducing General Fund revenues, primarily TOT, by \$7.1 million offset with reduction in the Unassigned Reserve. After adjusting for the revenue loss, as part of closing the current Fiscal Year budget, it is expected that the General Fund will end with a surplus primarily due to expenditure savings. When closing out the fiscal year budget, consistent with the amendments to the Fiscal Policies, as recommended in this document and if approved by Council, staff will allocate any budget surplus to replenish the Budget Stabilization Reserve (BSR). As discussed in this letter, staff proposes to use \$4.6 million of reserves including the BSR to balance the FY 2020-21 Budget. To address the remaining shortfall for the next three fiscal years currently projected at \$5.7 million, staff may recommend to use the remaining balance in the BSR projected at \$9.4 million and/or fund balance in the General Government Fund projected at \$8.1 million. With the recommended changes described here and shown in the table below, the General Fund total of unassigned and committed reserves will decrease by approximately \$11.69 million from \$82.83 million to \$71.14 million.

Table 4 – General Fund Reserves/Use of Reserves (\$ in Millions)

	Reserve Balance (as of 2/18/2020)	FY 2019-20 Budget Rebalancing (5/5/2020)	FY 2020-21 Proposed Allocation	FY 2020-21 Revised Balance	Reserve Target per Fiscal Policies
FY 2020-21 General Fund Shortfall			\$4.59		
General Fund Unassigned Reserves					
Unassigned	\$9.20	(\$7.10)	(\$2.10)	\$0.00	N/A
Budget Stabilization Reserve	9.45		(0.09)	9.36	17.90
Contingency Reserve	20.30		(2.40)	17.90	17.90
Total Unassigned Reserve	38.95	(7.10)	(4.59)	27.26	
General Fund Committed Reserves					
Artificial Turf	0.98			0.98	2.00
Facilities Replacement Fund	7.00			7.00	10.00
PERS Stabilization	33.90			33.90	N/A
Technology Replacement Reserve	2.00			2.00	5.00
Total Assigned General Fund Reserves	43.88			43.88	
Total Unassigned and Committed Reserves	\$82.83	(\$7.50)	(\$4.59)	\$71.14	

Major Development Activities in the City

General Plan Update – Considered the blueprint for future development, the General Plan defines a long-term vision for future growth, traffic circulation, economic development, health, housing and resource conservation. In 1994, the General Plan was adopted and has not been comprehensively updated since then. The General Plan update process commenced in late 2016. The current update to the Plan targets land uses that may be outdated or insufficient and identifies opportunity sites where changes to land uses and development patterns may be appropriate over the next 20 years. With input from the community, stakeholders, appointed and elected officials, the Plan update is anticipated to be completed in 2020, with an anticipated adoption by the City Council in late 2020.

Transit Area Specific Plan – The City adopted a Transit Area Specific Plan in June 2008 to encourage medium to high density development surrounding the new Milpitas Transit Center. The Plan was last updated in 2011. The Milpitas Transit Center, which opened to regional bus service in early 2020, includes direct connections to two existing Santa Clara Valley Transportation Authority (VTA) light rail stations and will eventually include BART service. The intent of the Transit Area Specific Plan is to encourage the development of housing and neighborhood amenities such as parks, retail and restaurants and to foster economic development and employment opportunities in the area. In March 2020, staff and consultants kicked off an update to the Plan to identify opportunities for additional housing units, a renewed emphasis on office and retail uses in a proposed Innovation District, and a particular emphasis on improvements to public amenities such as open space and trails. Staff expects to complete the Plan update in early 2021.

Residential Development – Until the COVID-19 Pandemic brought economic uncertainty to the region, a robust economy and high median home prices led to heightened interest in residential development. Outside of the Midtown and Transit Area, several residential developments have been approved and are either under building permit review, under construction, or completed and occupied. These projects include a single-family home development for 38 lots, including ten ADUs (Accessory Dwelling Units), at 1005 Park Victoria Drive and several small-scale infill projects throughout the City.

Non-residential Development – FY 2019-20 was a busy year for commercial development and expansion. The new Legoland Discovery Center is expected to open at the Great Mall in summer 2020. A neighborhood grocery store is expected to open near the Great Mall area. Amazon has two new delivery stations and Bridge Pointe Silicon Valley has a new warehouse/office building under development near the McCarthy Ranch area. The H.L. Peninsula Chinese dim sum restaurant is also expected to open in the McCarthy Ranch retail area. Celia's Event Center is expected to open on Dempsey Road, and several new hotels are in various stages of development. Property owners of the former LifeScan campus and Tasman Tech Park invested in revamping their buildings and outdoor spaces in order to attract new tenants. The City has also approved expansion plans for several ethnic grocery stores and other small businesses in the Midtown area and along the Calaveras Boulevard gateway corridor.

Budget Document Enhancements

In October 2019, Council approved the acquisition of a new Budget System, which included a budget publication module and a transparency tool. With the availability of the budget publication module, staff improved the information provided in the budget narrative sections of this document by including new expenditure and staffing tables showing information for four fiscal years, a budget reconciliation table identifying the major base budget and service level changes from the prior fiscal year to the Proposed Budget; and recommendations for service level changes with a detailed description, performance outcome, and impact statement if the recommendation is not funded.

Conclusion

Our economic outlook is highly uncertain at this juncture. We have little understanding of the short-term and long-term impact of the COVID-19 Pandemic on our society and economy. How will the Pandemic change our ways of living?

As of the formulation of the FY 2021-30 Ten-Year General Fund Financial Forecast, the FY 2020-21 Proposed Budget and this budget document, little economic data was available except for record unemployment claims filed since the Great Depression and a reduction in building inspection fees for the month of March. In the coming weeks and months, the economic impact related to COVID-19 will become more apparent. We will continuously monitor the effect on our City finances and report to the City Council through the quarterly financial status reports. If the City's financial outlook worsens, we will bring forward budget balancing recommendations during FY 2020-21.

Based on the economic and fiscal data currently available, I am proposing a three-year fiscal strategy that draws \$10 million from reserves to continue funding current service levels with only minor changes for our community. This is the most prudent approach at this time.

Bringing forward such a strategy and balanced FY 2020-21 Proposed Budget was only possible with the concerted effort from the Executive Leadership Team and their staff. They worked collaboratively with the Finance and Engineering Departments in developing this budget without reducing service levels despite \$25 million of shortfalls projected just over a month ago.

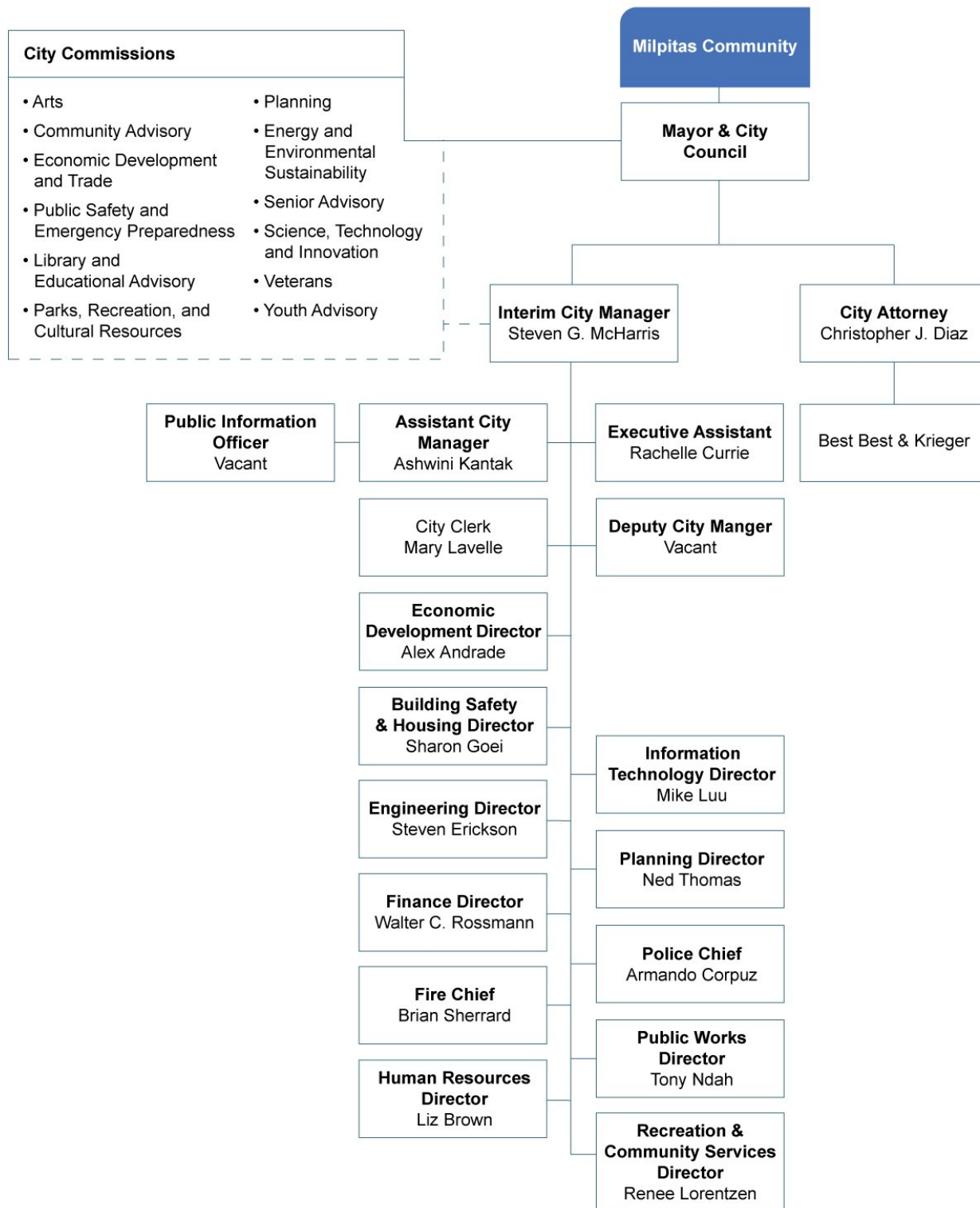
And most notably, the three-year fiscal strategy I am proposing with this budget is only conceivable because of the fiscally prudent action the City Council has taken in past years by setting aside \$60 million in reserves during good economic times in preparation for recessionary periods. I would like to thank the Mayor and City Councilmembers for your foresight, leadership and direction. With your guidance, Milpitas is poised to successfully navigate through this uncertainty and recessionary period.

Respectfully submitted,



Steven G. McHarris
Interim City Manager

Organization Chart



History

Before roads were carved and houses were built, Milpitas and its surrounding areas were home to Native Americans in the Costanoan and Ohlone tribes. Living off the bounty of the land around San Francisco Bay, the Costanoans and the Ohlones prospered for hundreds of years long before Mexican or Spanish immigrants came to conquer the land.

In the 18th century, Spanish explorers surveyed the land and were the first to give Milpitas its name - milpa - or little cornfields. Three large ranches began, and two families, the Alvisos and the Higuerras, built adobes in the mid-1800s which still stand today.



In 1850, the California Gold Rush began, and “American” settlers started taking over the region. In 1852, a settler from Ireland, Michael Hughes, built the first redwood-framed house in what is now Milpitas. Soon after, the first school was built, and by 1857, Milpitas had a hotel, general store and a post office.

Fruit orchards began to spring up in the 1870s, and later the region was known for its hay growing. The population continued to grow into the 1880s and settlers numbered over 1,500. But by the turn of the century, only about a third of those people remained.

Populations would remain low until shortly after World War II, when Western Pacific Railroad bought a 300 acre industrial park within the city and Ford Motor Company announced it would shift its manufacturing plant from Richmond (just north of Oakland) to Milpitas. The population grew to 825. Sewer and water service, and fire protection were set up shortly after, as was one of the country’s first integrated housing communities.

On January 26, 1954, the city was officially incorporated, after fighting off annexation attempts by neighboring San Jose. Ten years later, populations grew to 7,000.

Following the computer firm boom of the 1980s and the opening of one of the nation’s largest malls in 1994, the city is now home to 80,430 residents¹.

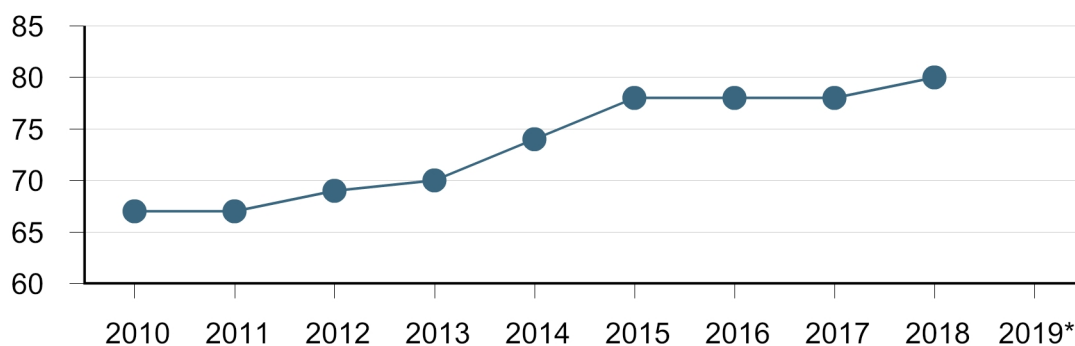
Photos courtesy of: Eliren Pasion
History courtesy of: The Milpitas Post

Demographic Profile

Population

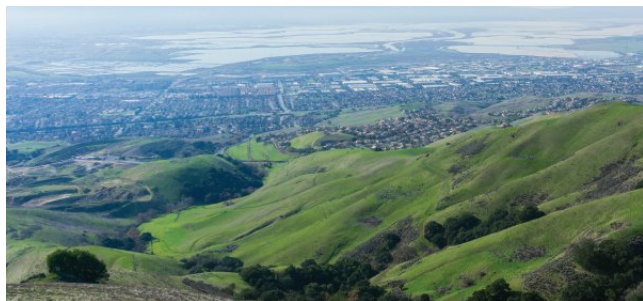
Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 80,430 are family-centered communities that embrace cultural diversity, quality schooling, and conveniently located neighborhood parks and shopping centers.

Population (in thousands)



* No data is available for 2019

Development



Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay and in Silicon Valley. Milpitas covers 13.6 square miles, with grassy foothills and picturesque Mount Hamilton to the east and the Santa Clara Valley floor to the west. The city is located in Santa Clara County, home to over 1.9 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

There are approximately 1,150 acres designated for various industrial uses that consist of world-class technology and advanced manufacturing businesses.



About 105 acres are vacant and available in parcels ranging from 3 acres to 35 acres. Included in this acreage total are nine industrial districts and 100 manufacturing plants. An additional 410 acres are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.²

Employment

With over 47,000 jobs and 35,000 employed residents, Milpitas is a jobs rich community. The two largest employers in Milpitas are Cisco Systems with over 3,000 employees and KLA with over 2,000 employees.³ Other major employers are San Disk, Flex, Linear Technology, Headway Technologies and Milpitas Unified School District. Several of these top employers have made Milpitas their corporate headquarters location. The largest percentage of the Milpitas workforce, approximately 29%, are employed in technology and advanced manufacturing, 17% work in professional and business services, and 11% in leisure and hospitality⁴.

The City's largest own-source revenue is property tax. Top ten property tax payers are shown below⁵:



Principal Property Tax Payers: Fiscal Year 2018-19

Taxpayers	Taxable Assessed Value	% of Total City Assessed Value
Cisco Systems Inc.	\$886,371,787	4.43%
KLA Tencor Corporation	\$422,312,113	2.11%
Milpitas Mills LP	\$337,889,378	1.69%
SandBox Expansion Technologies	\$237,179,988	1.19%
Western Digital Technologies	\$223,729,541	1.12%
Milpitas-District Owner LLC	\$203,447,281	1.02%
McCarthy Center Holdings LLC	\$189,588,451	0.95%
Amalfi Milpitas LLC	\$167,847,713	0.84%
Essex Portfolio LP	\$161,316,189	0.81%
Headway Technologies Inc.	\$158,592,564	0.79%

Community

At 20 feet above sea level, Milpitas' mild climate averages 59 degrees, with gentle winds from the northwest and little more than 13 inches of rain expected in a typical year.

Milpitas' neighborhoods are dotted with over 20,000 households and well-placed parks. Thirty-two community parks are maintained by Milpitas, in addition to one dog park and 21 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services. Milpitas' median household income is

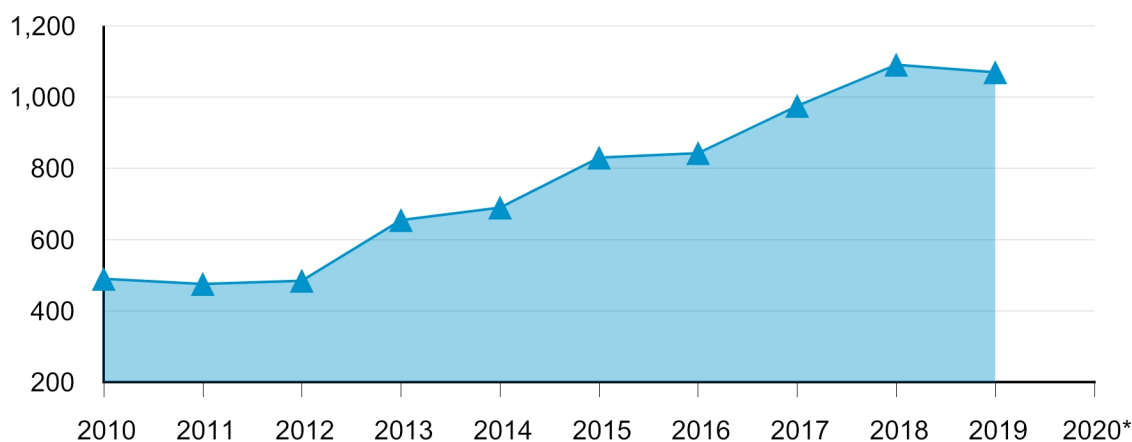
\$125,161.⁶ About 47% of the households earn more than \$100,000 annually.⁷



Housing

Close to 64 percent of Milpitasans own their own home. Rental prices average around \$2,500 and \$3,050 per month for one and two bedroom apartments, respectively. The median price of a home as of March 2020 in Milpitas is \$1,050,000.⁸ There are 20 suburban residential areas. About 22 percent of the city's population are 18 years old or younger. About 67 percent of the population are between 18 and 64 years old. About 12 percent of residents are over 65.

Medium Home Price (in thousands)

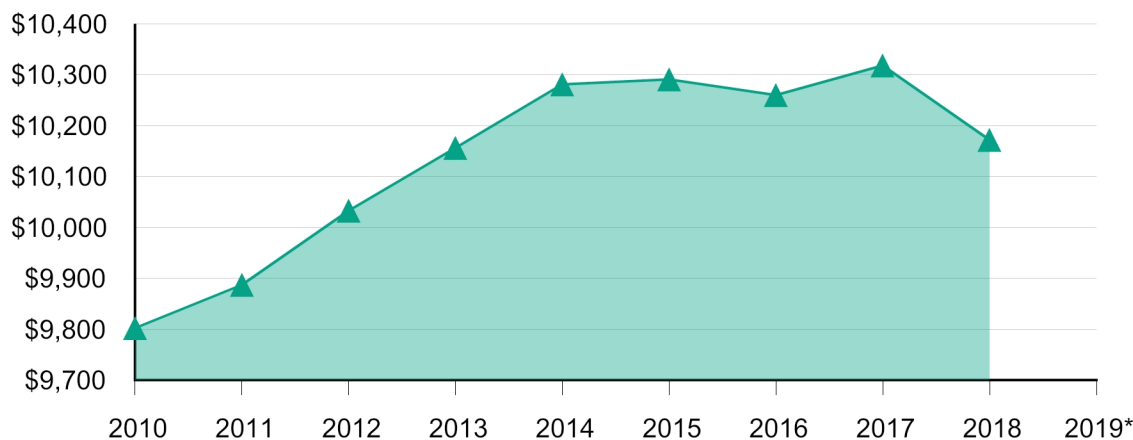


* No data available for 2020

Education

The Milpitas Unified School District operates ten elementary schools (K-6), two middle schools (7-8), two high schools (9-12), one continuation high school, and one adult education school. The district employed over 500 individuals on a full-time basis to serve approximately 10,000 students as a PreK-12 grade school system.⁹

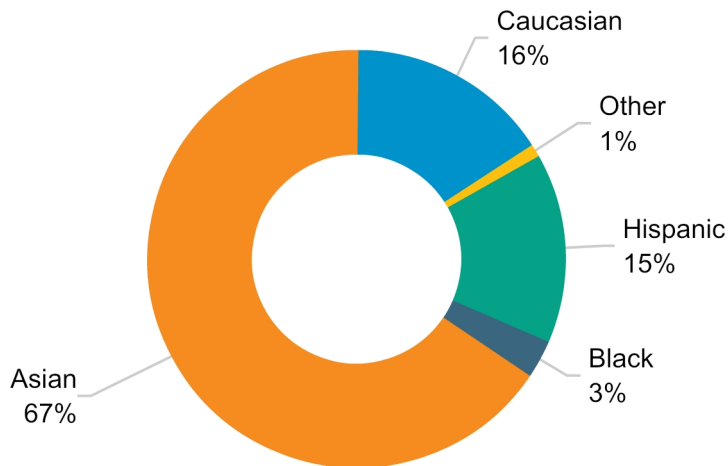
School Enrollment



* No data available for 2019

Ethnic Distribution

Milpitas has the highest population of ethnicities in all Santa Clara County. According to the 2010 census, an estimated 67 percent of residents are Asian; 16 percent are Caucasian; 15 percent are Hispanic or Latino; and 3 percent are Black or African-Americans.¹⁰



Government

The bustling general law city is supervised by a council-manager form of government. The Milpitas City Council is the flagship decision making body that appoints members to many commissions that serve in advisory capacities. The mayorship is an elected position, as are all the council seats. Mayors serve two-year terms; council members have four-year seats.

The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's \$248 million budget. The five members carry out twice a month public meetings. At these times, the public's comments are usually heard, under the citizen's forum.

The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 12 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Library and Educational Advisory Commission and Senior Advisory Commission, to name a few.

Issues challenging most commissions these days are development, quality of life and how to streamline traffic bottlenecks that plague this area at commute times.

¹ 2019 Census Estimate <https://worldpopulationreview.com/us-cities/milpitas-ca-population/#byPopulation>

² Economic Development Department

³ City of Milpitas CAFR - Year Ended June 30, 2019 - Statistical Section

⁴ General Plan Update Existing Conditions Report (pg. 1-69)

⁵ HdL Coren & Cone 2018/19 Property Tax Summary

⁶ US State Census Bureau (<https://www.census.gov/quickfacts/fact/table/milpitascitycalifornia/PST045218>)

⁷ City of Milpitas, Adopted Housing Element 2015-2023 (pg.11)

⁸ HdL Coren & Cone The City of Milpitas Sales Value History

⁹ Milpitas Unified School District website

¹⁰ Jobs EQ - Economic Overview 3/8/19

Milpitas at a Glance

Date of Incorporation:

January 26, 1954

Form of Government:

Council-Manger

Population (estimated*)

80,430

Land area (Square Miles) **13.6**

Miles of Streets **298**

Number of Street Lights **5,141**

Fire Protection

Number of Stations **4**

Number of Firefighters **62**

Fire Apparatus **13**

Number of Fire Hydrants **2,309**

Police Protection

Number of Stations **2**

Number of Sworn Officers **95**

Number of Crossing Guard Posts **38**

Number of Police Patrol Vehicles **29**

Employees

Permanent **437.5**

Temporary (FTE) **90.75**

Water Utility

Number of Customers

Residential **14,728**

Commercial **2,232**

Recycled Water **236**

Average Daily Consumption
(in million gallons)

Potable Water **7.46**

Recycled Water **0.95**

Miles of Water Mains **206**

Sewer Utility

Miles of Sanitary Sewers **173**

Miles of Storm Drains **99**

Public Schools Serving the Community

Elementary Schools **10**

Middle Schools **2**

High Schools **2**

Parks and Recreation

Acres of Parkland **195**

Number of Parks **32**

Number of Swimming Pools **3**

Number of Tennis Courts **21**

Sources:

City of Milpitas CAFR, Statistical Section

City of Milpitas Fire Department

City of Milpitas Police Department

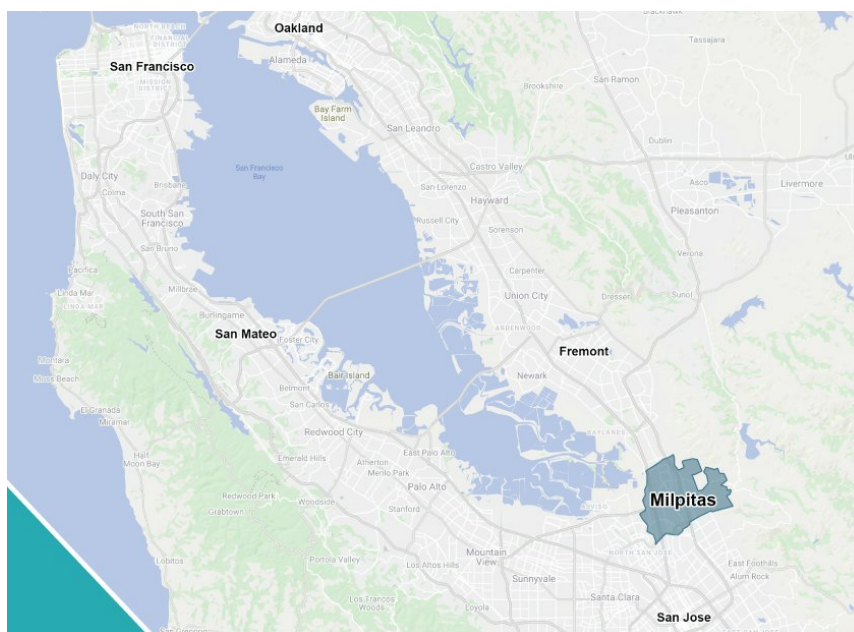
CA Department of Education

*July 1, 2018 Estimate, U.S.Census

Map

The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.63 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway.

A light rail line opened for service in 2004 and an extension of BART, including a major multi-model station is expected to open for service in 2019.





FY 2021-2030 Ten-Year General Fund Financial Forecast

Starting this year, staff developed a Ten-Year General Fund Financial Forecast to show long-term impacts of projected revenues and expenditures primarily related to pension costs. When the California Public Employees Retirement System (CalPERS) changes the actuarial assumptions of the pension portfolio, such as lowering the interest earning or demographic assumptions, such changes become fully effective seven years after CalPERS Board approval. In addition, long-term forecasts provide an invaluable planning tool and are an indication of sound fiscal planning and strategy.

The table below shows the FY 2021-2030 Ten-Year General Fund Financial Forecast. Over the ten years of the Forecast, based on information available late March, staff projects annual net operating results to range between deficits of \$5.1 million and surpluses of \$1.5 million with net cumulative annual operating results of negative \$18.2 million. In the out-years of the Forecast, expenditures accelerate faster than estimated revenues. The table below also includes the information on the City's current year budget as amended as of February 18, 2020.

Table 1 – FY 2021-2030 Ten-Year General Fund Financial Forecast - Overview (\$ in 000s)

	FY 19-20 Amended Budget (as of 2/18/2020)	FY 20-21 Proposed Budget	FY 21-22 Forecast	FY 22-23 Forecast	FY 23-24 Forecast
Revenues	\$119,463	\$112,575	\$118,581	\$127,717	\$135,029
Expenditures	(116,358)	(117,164)	(123,645)	(128,345)	(133,564)
Net Operating Results	\$3,105	(\$4,589)	(\$5,064)	(\$628)	\$1,465

	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	FY 29-30 Forecast
Revenues	\$139,252	\$143,451	\$147,937	\$152,574	\$157,325	\$162,227
Expenditures	(139,229)	(143,805)	(149,169)	(154,469)	(159,993)	(165,479)
Net Operating Results	\$23	(\$354)	(\$1,232)	(\$1,895)	(\$2,668)	(\$3,252)

The following sections discuss the year-over-year change between the FY 2019-20 Adopted Budget, as amended, and the FY 2020-21 Proposed Budget as well as assumptions embedded in the FY 2021-2030 Ten-Year General Fund Financial Forecast for major revenue and expenditure categories.

Revenues

Table 2 – FY 2021-2030 Ten-Year General Fund Financial Forecast - Revenues (\$ in 000s)

	FY 19-20 Amended Budget (as of 2/18/2020)	FY 20-21 Proposed Budget	FY 21-22 Forecast	FY 22-23 Forecast	FY 23-24 Forecast
Revenues/Sources					
Property Taxes	\$36,697	\$36,872	\$36,361	\$37,859	\$40,302
Sales & Use Tax	27,725	28,372	29,507	30,687	31,915
Transient Occupancy Tax	18,575	13,453	15,471	18,671	20,292
Licenses, Permits & Fines	13,936	9,907	12,369	14,481	15,795
Charges for Services	7,074	7,815	7,971	8,170	8,415
Franchise Fees	4,937	5,515	5,680	5,851	6,026
Use of Money and Property	1,267	1,364	1,391	1,419	1,447
Other Taxes	1,162	1,197	1,233	1,269	1,307
Intergovernmental	1,830	808	500	357	357
Other Revenues	241	258	258	258	258
Operating Transfers In	6,019	7,014	7,840	8,695	8,915
Total Revenues/ Sources	\$119,463	\$112,575	\$118,581	\$127,717	\$135,029

	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	FY 29-30 Forecast
Revenues/Sources						
Property Taxes	\$41,796	\$43,345	\$44,953	\$46,621	\$48,350	\$50,145
Sales & Use Tax	32,744	33,563	34,402	35,262	36,144	37,047
Transient Occupancy Tax	20,799	21,319	21,958	22,617	23,296	23,994
Licenses, Permits & Fines	16,461	17,027	17,663	18,322	18,971	19,643
Charges for Services	8,668	8,928	9,195	9,471	9,755	10,048
Franchise Fees	6,207	6,393	6,585	6,782	6,986	7,196
Use of Money and Property	1,476	1,506	1,536	1,567	1,598	1,630
Other Taxes	1,346	1,386	1,428	1,471	1,514	1,560
Intergovernmental	357	357	357	357	357	357
Other Revenues	258	258	258	258	258	258
Operating Transfers In	9,140	9,369	9,602	9,846	10,096	10,349
Total Revenues/ Sources	\$139,252	\$143,451	\$147,937	\$152,574	\$157,325	\$162,227

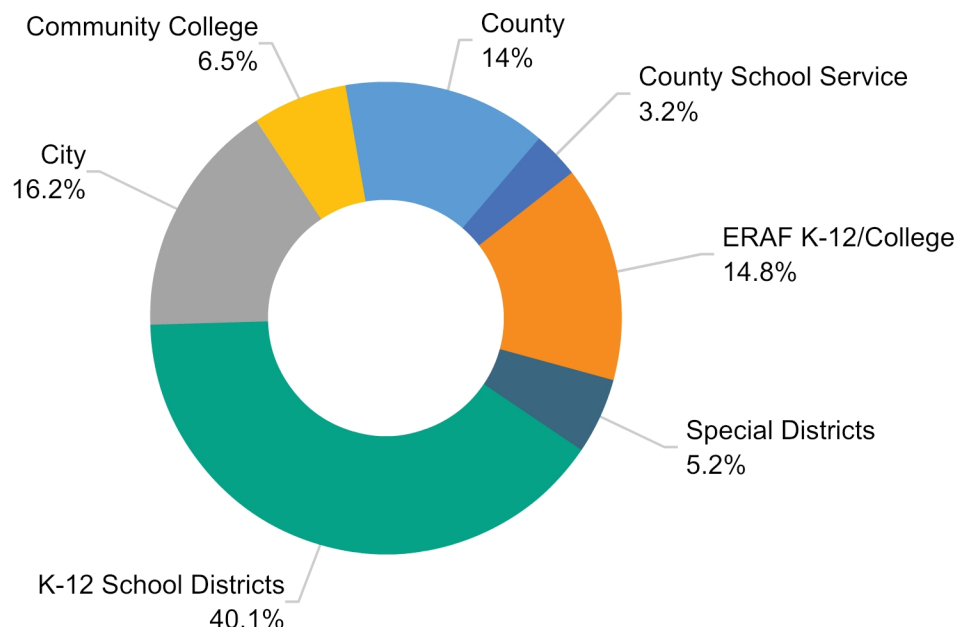
Property tax revenues are estimated to be \$36.9 million in FY 2020-21, an increase of \$0.2 million, or 0.5%, compared to the FY 2019-20 amended revenue of \$36.7 million (an increase of \$1.8 million, or 5.2%, from the FY 2019-20 adopted revenue estimates of \$34.9 million) primarily due to reduced excess ERAF (Educational Revenue Augmentation Fund) portion of property taxes. Staff develops the Property Tax revenue estimates based on information provided by the City's property tax consultant and the County of Santa Clara. For FY 2021-22, staff has built in a slight decrease of property tax revenue estimates returning to historical annual growth rates over the remainder of the Forecast between 3.5% and 4.5%. It should also be noted that the Forecast includes a decrease in the excess ERAF (Educational Revenue Augmentation Fund) portion of property taxes for FY 2020-21, FY 2021-22 and FY 2022-23. The Excess ERAF formula for allocation to cities is based on various factors, mainly the countywide property tax growth, Redevelopment Agency assets sale, department of education's local control funding formula, school districts attendance rate, and special education charges. Recent years' distributions were higher due to RDA assets sale, decrease in amount of special education, and lower growth in local school funding requirements. However, the County of Santa Clara foresees that the ERAF related distribution amounts will decrease.

Proposition 13 limits the base property tax rate to 1% of the assessed value and an annual increase of the assessed value at the lesser of 2% or the California consumer price index (CCPI). Based on a 10-year average, staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will likely increase at a rate of 2 to 2.5% in each of the next five years and therefore the 2% limit of Proposition 13 will apply. Added assessed valuation from new housing and the reassessment of existing properties with change of ownerships are factored into the forecast.

Allocation of Property Tax 1% Base Rate

The chart below shows the allocation of the property tax 1% base rate to all the taxing entities within the jurisdiction. The City's share is approximately 16% of the 1% base rate.

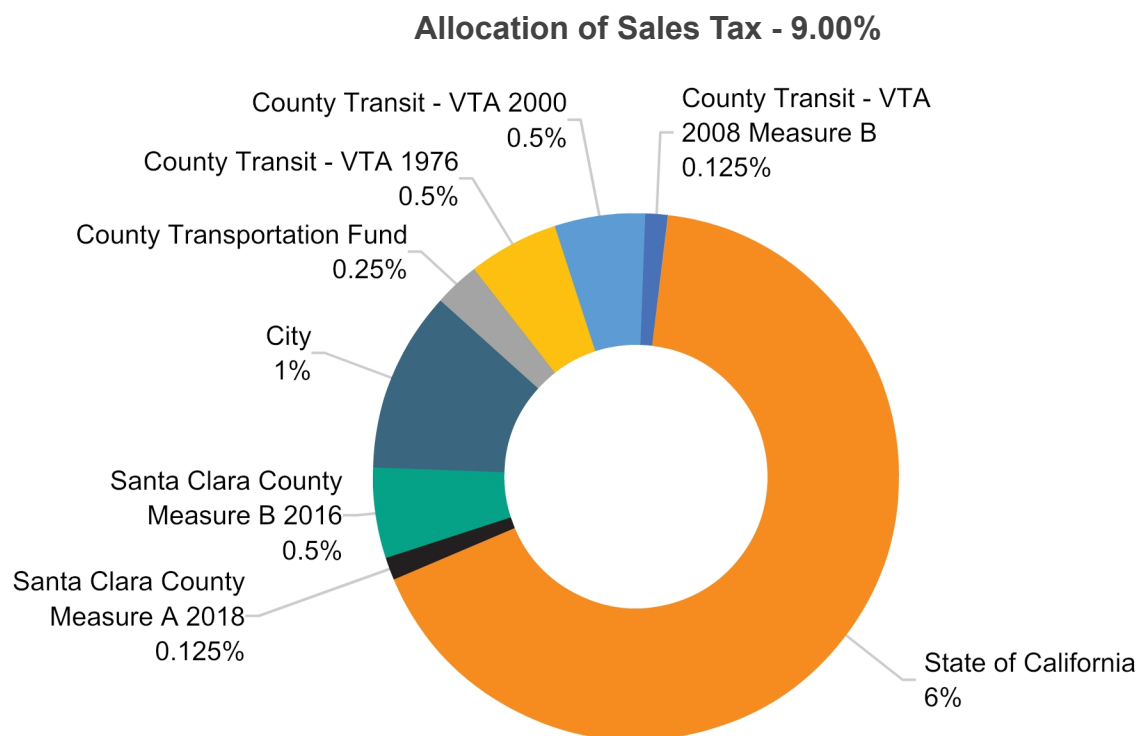
Chart 1: Property Tax Allocation by Percent among various Governmental Entities



Sales tax revenue is projected to be \$28.4 million in FY 2020-21, an increase of \$0.7 million, or 2.5%, compared to FY 2019-20 amended revenue of \$27.7 million (an increase of \$1.2 million, or 4.4%, from FY 2019-20 adopted revenue estimates of \$27.2 million). It is assumed that the impact to sales tax related to the Pandemic will occur during the current fiscal year and the first quarter of FY 2020-21 partially offset by increased governmental spending. With the gradual lifting of the shelter-in-place order, consumer spending is assumed to return to more sustained levels. An annual historical growth rate between 2.7% and 2.6% is projected for the remainder of the Forecast. The projected increase is mostly based on estimates from the City's sales tax consultant.

The chart below shows the allocation of sales tax rate among the taxing jurisdictions. The City's share of the total sales tax rate is one percentage point.

Chart 2: 9% Sales Tax Allocation by Percentage Points among various Governmental Entities



Transient Occupancy Tax (TOT), or Hotel/Motel tax Revenues, are projected to significantly decrease due to the COVID-19 Pandemic impact on the travel and hotel industry. In comparison to the FY 2019-20 Amended Budget, the revenue estimate for the FY 2020-21 Proposed Budget is expected to decrease by \$5.1 million, or 27.4% from \$18.6 million to \$13.5 million. It is important to note, that staff will bring for Council consideration a recommendation to further reduce the FY 2019-20 revenue estimate for TOT at the May 5th City Council meeting. This Forecast further assumes that the travel and hotel industry will recover to pre-recession levels by FY 2023-24. Thereafter, TOT revenue estimates are projected to increase between 2.5% and 3% for the remainder of the Forecast.

Licenses and permits consist of building permits and fire permits which are primarily construction related. Due to construction activity restrictions related to the shelter-in-place order, the construction activity within the City has slowed, resulting in less revenue. This Forecast assumes that this trend will continue into FY 2020-21. Therefore, estimated revenue for licenses and permits, for the FY 2020-21 Proposed Budget is expected to decrease by \$4.0 million, or 28.8% from \$13.9 million to \$9.9 million in comparison to the FY 2019-20 Amended Budget. Thereafter, it is projected that these revenues will resume pre-recession levels by FY 2023-24, primarily due to continued interest in residential developments in the Transit Area, and annual growth rates around 3.5% based on the annual growth rate of personnel cost increases.

Charges for Services are primarily user fees, including charges for private development related services, engineering fees and recreation service charges. The FY 2020-21 estimated revenue from Charges for Services is \$7.8 million. It is projected to increase by \$0.7 million, or 9.9%, in FY 2020-21 compared to FY 2019-20 amended revenue estimates of \$7.1 million (an increase of \$.8 million, or 10.4%, from the FY 2019-20 adopted revenue estimates of \$7.0 million) primarily due to an increase between 4 – 5% for 50% of all fees consistent with increased salary and benefits cost to maintain cost recovery levels (scheduled for Council approval on May 5th), reimbursable charges from developers for Engineering and legal services, and expected revenue for ambulance services. Charges for Services is projected to increase consistent with annual salary and benefits increases over the Forecast period.

Franchise Fees are a regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas (i.e.: garbage franchise fee, gas and electric franchise fee). The FY 2020-21 estimated revenue from Franchise Fees is \$5.5 million, an increase of \$0.6 million, or 12.2%, compared to FY 2019-20 Adopted Budget revenue estimates of \$4.9 million. As part of the third quarter FY 2019-20 Financial Status Report, staff will recommend adjusting Franchise Fees revenue estimates to align with the respective agreements by increasing the FY 2019-20 by approximately \$0.4 million to \$5.3 million. With that adjustment, the FY 2020-21 estimated revenue from Franchise Fees of \$5.5 million will be increased by \$0.2 million, or 3.7%, from the FY 2019-20 Amended Budget. Franchise Fees are projected to increase an average of 3.0% for the remainder of the Forecast.

Use of Money and Property includes interest earnings on the City's cash pool. The City expects an increase of \$0.09 million, or 7.1 %, from the FY 2019-20 estimate of \$1.27 million to the FY 2020-21 estimate of \$1.36 million due to the transition of the management of the pool from City staff to Chandler Asset Management despite a worsening interest rate environment.

Other Taxes include real estate transfer tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax. The FY 2020-21 estimated revenue from Other Taxes is \$1.19 million, an increase of 3.0% or \$35,000 compared to FY 2019-20 Adopted Budget of \$1.16 million. Average annual increases of 3.0% are projected for the remainder of the Forecast.

Intergovernmental represents the revenue account for federal and state grants. The main grant sources for the City include the annual Community Development Block Grants allocation and the three-year SAFER Grant for the addition of six Firefighter positions effective October 2019.

Operating Transfers In are mainly reimbursements from other funds for the staff support and administrative services provided by the General Fund. These costs are determined through a methodological allocation process (known as the Cost Allocation Plan, or CAP). Net transfers into the General Fund will increase in conjunction with operating expenditure increases, an average of 3.7% annually over the Forecast period. Operating Transfers are projected to be \$7.0 million in FY 2020-21, an increase of \$1.0 million, or 16.7%, compared to FY 2019-2019 Adopted Budget revenues estimates of \$6.0 million. The increase from the FY 2019-20 amended budget is due to additional revenues anticipated from the Community Facilities District 2008.

Expenditures

Table 3 – FY 2021-2030 Ten-Year General Fund Financial Forecast - Expenditures (\$ in 000s)

	FY 19-20 Amended Budget (as of 2/18/2020)	FY 20-21 Proposed Budget	FY 21-22 Forecast	FY 22-23 Forecast	FY 23-24 Forecast
Expenditures					
Salaries	\$52,903	\$55,525	\$57,413	\$59,520	\$61,396
Benefits	39,069	39,008	42,115	43,521	46,316
Services & Supplies	23,303	22,083	22,755	23,429	23,964
Debt Services	100	0	862	875	888
Capital Outlay	183	248	200	200	200
Operating Transfers Out	800	300	300	800	800
Total Expenditures	\$116,358	\$117,164	\$123,645	\$128,345	\$133,564

	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	FY 29-30 Forecast
Expenditures						
Salaries	\$63,328	\$65,316	\$67,364	\$69,472	\$71,643	\$73,878
Benefits	49,132	51,112	53,521	56,068	58,459	61,025
Services & Supplies	24,881	25,489	26,396	27,041	28,003	28,688
Debt Services	888	888	888	888	888	888
Capital Outlay	200	200	200	200	200	200
Operating Transfers Out	800	800	800	800	800	800
Total Expenditures	\$139,229	\$143,805	\$149,169	\$154,469	\$159,993	\$165,479

Salaries and Benefits overall are expected to equal \$94.5 million, an increase of \$2.5 million, or 2.7%, compared to FY 2019-20 amended expenditures of \$92.0 million due to the addition of 2.0 positions; wage increases per negotiated Memoranda of Understanding with the City's bargaining groups and unrepresented employees; and alignment of overtime in public safety departments to granted salary increases; offset with minimal decreases in benefits costs as explained below.

With the implementation of a new budgeting system, staff was able to refine personnel cost budgeting for pension, retiree medical and health benefits, which resulted in keeping benefits costs flat at \$39.0 million. This also means, that fiscal year-end budget surpluses are expected to be less.

Although the budgeting for benefits was refined, the underlying costs for benefits still increased. To accurately budget for health insurance, employees' health plan elections were downloaded into the budget system as of

February 2020. Thereafter, the health insurance premium is projected to increase 6% annually consistent with historical increases.

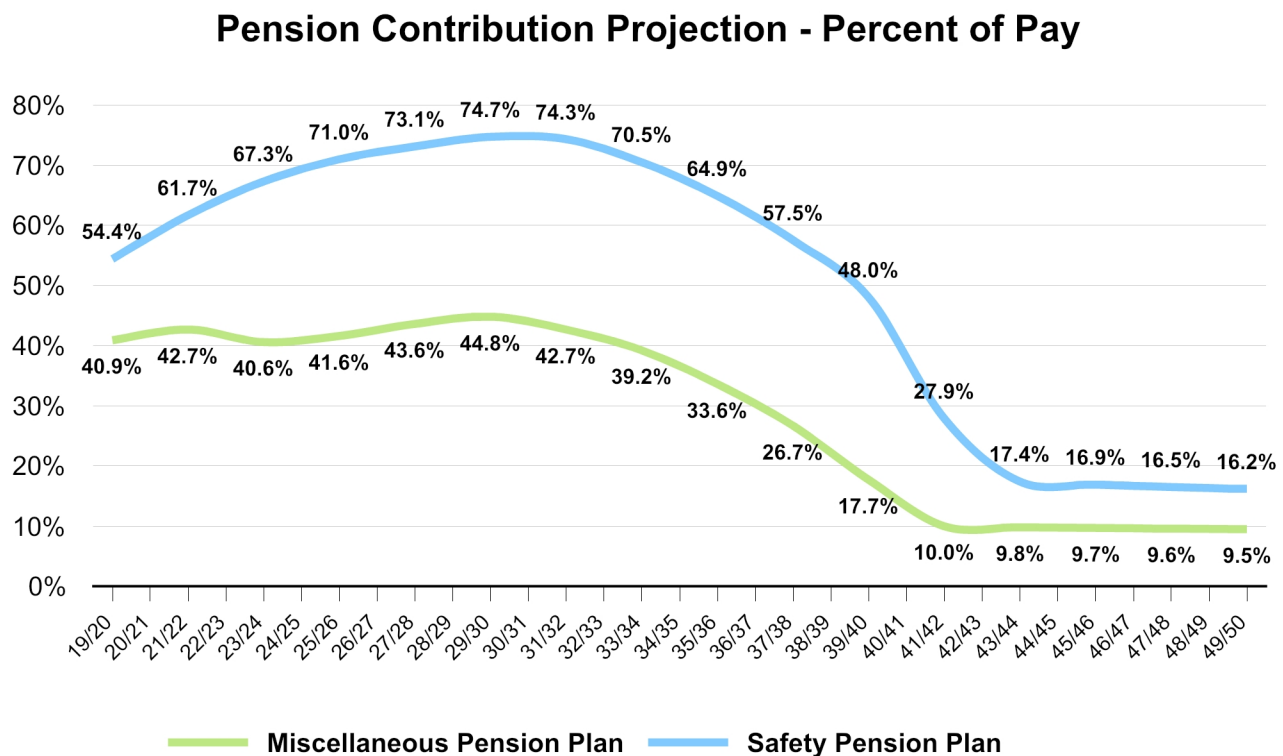
The California Public Employees Retirement System (CalPERS) annually provides member agencies with an actuarial valuation of member agencies' pension plans. The City has two pension plans with CalPERS, the Safety Plan for sworn Police and Fire Department employees and the Miscellaneous Plan for non-sworn employees working in all City Departments. For FY 2020-21, the City budget reflects pension contribution costs based on the most recent actuarial valuation available by CalPERS dated July 2019. These valuations are based on data, including payroll data, as of June 30, 2018. Often, due to increased positions and granted salary increases per MOUs with the City's bargaining units, the budgeted payroll data is higher than CalPERS' assumption in its valuations.

A few years ago, CalPERS started to change its pension contribution methodology for agencies. Agencies are being charged a flat fee for the unfunded actuarial liability (UAL), which is not based on a percent of payroll, and the normal cost of the pension benefit, which is based on a percent of payroll. Normal cost is the percentage of payroll that is required to fully fund the annual cost of service for the upcoming fiscal year for active employees only. Unlike normal costs, UAL represents outstanding funding needed for services provided by active or former City employees. The UAL is impacted when current plan benefit, demographic assumptions (retiree longevity), or assumed rate of investment earnings changes, or when CalPERS does not meet or exceed its investment earnings target.

In its valuations, CalPERS presented the annual determined contribution for the unfunded actuarial liability as a flat fee and a percent of payroll based on actual payroll data from two years prior. Until FY 2019-20, the City budgeted the annual required contribution for the unfunded actuarial liability as a percent of payroll on budgeted salaries, which resulted in overbudgeting pension costs by several millions, because budgeted salaries were significantly higher than the actual payroll data from two years prior. Per the Council approved Fiscal Policies, any savings resulting from the budgeting methodologies for pension benefits shall be allocated to the PERS Rate Stabilization Reserve. This is one of the reasons that the City was able to increase the PERS Rate Stabilization Reserve to approximately \$34 million. By refining the budgeting methodology for pension costs, staff was able to reduce ongoing expenditures by over \$3 million.

Regardless of aligning the City's budgeting methodology with the CalPERS contribution methodology, per the staff report on the March 3, 2020 City Council agenda, the annual pension contributions are expected to increase over the next ten to 15 years. The charts below were part of the report titled "CalPERS Actuarial Analysis – 6/30/18 Valuation" prepared by Bartel and Associates, the City's actuary. With a 50% probability, the City's Sworn Plan contribution percentages will peak in just over 12 years with 75.3% of payroll; similarly, the City's Miscellaneous Plan contribution percentages will peak in just over 12 years with 45.2% of payroll. By the end of the Forecast Period, based on information from the City's actuary, staff projects that the City's pension contributions will be over \$41.1 million for all funds and \$36.6 million for the General Fund. As the chart for both pension plan shows, due to the demographic changes of the plans' population over the next 30 years, the pension contributions as a percent of payroll are expected to decline substantially. These projections also include the pay-off of the current unfunded actuarial liability for both plans in the amount of \$207 million.

Chart 3: Miscellaneous and Safety Plans Contribution Projections as a Percent of Payroll (Bartel & Associates, March 2020)



Services and Supplies costs are anticipated to be \$22.1 million in FY 2020-21, a decrease of \$1.2 million, or 5.1%, compared to FY 2019-20 amended expenditures of \$23.3 million. This net decrease is primarily in the areas of contractual services, supplies, and maintenance across all departments in an effort to reduce ongoing expenditures in response to the budget shortfalls the City is projecting over the next three fiscal years. An average annual increase of 2.5% is projected for the remainder of the Forecast. There are also fluctuations of cost increases every other year due to election costs that are incurred by the City.

Debt Service the General Fund does not have any outstanding debt currently; however, the City was planning on issuing \$13.0 million in Spring 2020 for the Fire Station #2 Rehabilitation Project, as approved by the City Council as part of the adoption of the FY 2019-20 Budget. However, due to the shelter-in-place order, pre-construction activities have been delayed and the Council consideration to issue bonds has been delayed until Fall 2020. This Forecast assumes annual debt service between \$862,000 and \$888,000 starting in FY 2021-22.

Capital Outlay consists of the purchase of equipment with an estimated replacement value greater than \$5,000. Annually, departmental budgets are funded and charged for ongoing equipment replacement charges. These charges are based on the anticipated replacement cost for existing equipment. However, annually the General Fund supplements these costs with an additional amount. For FY 2020-21, \$248,000 is budgeted and for the Forecast period \$200,000 is anticipated to be budgeted annually.

Operating Transfers Out consist of transfers to the Information Technology Equipment Fund (\$300,000) and the Storm Drain Fund (\$500,000) per the current Fiscal Policies. As part of the Three-Year Fiscal Strategy discussed in the Transmittal Letter, this budget suspends the annual transfer to the Storm Drain Fund for FY 2020-21 and FY 2021-22 due to a sufficient fund balance in the Storm Drain Fund based on currently programmed expenditures.

Fiscal Policies

General Financial Goals

1. To maintain a financially viable City that can maintain an adequate level of municipal services.
2. To maintain financial flexibility in order to be able to continually adapt to local, regional, and national economic change.
3. To maintain and enhance long-term the sound fiscal condition of the City.

Operating Budget Policies

4. The City will adopt a balanced budget by June 30th of each year.
5. An annual base operating budget will be developed by accurately and realistically projecting revenues and expenditures for the current and forthcoming fiscal year.
6. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness of the services or programs provided.
7. Once the City Council adopted the budget, the Administration tracks revenues and expenditures closely and will bring forward budget adjustment recommendations at Mid-Year, as needed.
8. Annual operating budgets will include the cost of operations of capital projects.
9. The City will avoid balancing the current budget at the expense of future budgets, unless the use of reserves is expressly authorized by the City Council.
10. The City's operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and capital project expenditures are budgeted on a project length basis.

Revenue Policies

11. The City will try to maintain a diversified and stable revenue system to avoid over-reliance on any one revenue source.
12. Revenue estimates are to be accurate and realistic, sensitive to local, regional, and national economic conditions.
13. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis, as appropriate.
14. User fees will be reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest.
15. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
16. One-time revenues will be used for one-time expenditures only including capital outlay and reserves.

Expenditures Policies

17. The City will maintain levels of service, as approved by the City Council, to provide for the public well-being and safety of the residents of the community.
18. Employee benefits and salaries will be maintained at competitive levels.
19. Fixed assets will be maintained and replaced as necessary, minimizing deferred maintenance.
20. The City will develop and use technology and productivity enhancements that are cost effective in reducing or avoiding increased personnel costs.

Utility Rates and Fees

21. Water and sewer utility customer rates and fees will be reviewed annually as part of the budget process and adjusted as needed to ensure full cost recovery.
22. All utility enterprise funds will be operated in a manner similar to private enterprise. As such, the City will set fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

Capital Budget Policies

23. The City will develop an annual Five-Year Capital Improvement Program (CIP) with the goal to develop and maintain infrastructure in support of existing residences and businesses and future anticipated development.
24. The CIP will identify the estimated full cost of each project which includes administration, design, development and implementation, and operating costs once the projects are completed.
25. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money to help meet the highest priority community needs.
26. The City Council will provide funding for the first year of the Five-Year CIP as a component of the annual operating budget and appropriate funding at the project level. Funding for future projects identified in the Five-Year CIP may not have been secured and/or legally authorized and is therefore subject to change.
27. Each CIP project will be assigned to a project manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

Debt Policies

28. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
29. The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
30. The City will utilize conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.
31. The City may utilize inter-fund loans rather than outside debt to meet short-term cash flow needs.
32. The City will not issue long-term debt to finance operating expenses and routine maintenance expenses

Reserve Policies

33. The City will fund the following reserves as follows with any General Fund audited year end operating surplus after the General Fund Contingency Reserve and General Fund Budget Stabilization Reserve requirements are met.
- 20% to the PERS Rate Stabilization Reserve (see Policy Statement #36);
 - 20% to the General Government Capital Improvement Fund (see Policy Statement #49);
 - 10% to the Affordable Housing Community Benefit Fund (Fund 216);
 - 10% to Transportation/Transit (Fund 310); and
 - 40% to the Unassigned General Fund Reserve.
34. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
35. The City will maintain a Contingency Reserve of at least 16.67% or two months of the annual operating expenditures in the General Fund to be used only in the case of dire need as a result of physical or financial emergencies and disasters as determined by the City Council. Any use of the General Fund Contingency Reserve shall require a majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserve.
36. The City will maintain a General Fund Budget Stabilization Reserve with a target of 16.67%, or two months, of annual operating expenditures. The purpose of this reserve is to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be rebalanced within existing budget resources in any given fiscal year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. This reserve will be funded only after General Fund Contingency Reserve requirements have been met. Any use of the General Fund Budget Stabilization Reserve shall require a majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserve.
37. The City will maintain in the General Fund and the Water and Sewer Utility Enterprise Funds or in a Section 115 Trust a Public Employees Retirement (PERS) Rate Stabilization Reserve to be funded by 20% of any General Fund or Enterprise Funds annual operating surpluses. The City's actuary has determined that the General Fund portion of the Unfunded Actuarial Liability for the Miscellaneous Retirement Plan is 84.9% and for the Water and Sewer Utility Enterprise Funds portion of the Unfunded Actuarial Liability for the Miscellaneous Retirement Plan is 8.5% and 6.6%, respectively. The General Fund portion of the contribution to the PERS Rate Stabilization Reserve shall only be funded after General Fund Contingency Reserve and the General Fund Budget Stabilization Reserve requirements have been met. The Utility Funds' portion of the contribution to the PERS Rate Stabilization Reserve shall only be funded after the Capital Reserve and Rate Stabilization Reserve (RSR) requirements in the Water and Sewer utility funds have been met. The City may use the PERS Rate Stabilization Reserve to fund either the annual actuarially determined contribution amount in lieu of a contribution amount derived from a percentage of salary, pay down unfunded pension liabilities with CalPERS, or reduce the length of pension cost amortization schedules with CalPERS. Any savings or additional costs resulting from the budgeting methodologies shall benefit or be adjusted from the PERS Rate Stabilization Reserve. This reserve may also be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. In this instance, the City Council must approve utilization of this reserve at the time of the budget hearing.

38. Annually, the City will endeavor to transfer \$500,000 from the General Fund to the Storm Drain Fund to replace and repair storm drain infrastructure.
39. The City will maintain a retiree medical benefits account established by an irrevocable trust and fund the annual actuarially determined contribution. Any savings resulting from the budgeting methodologies shall be used to pay off the actuarial unfunded liability.
40. The City will maintain a General Liability and Workers' Compensation Claims Reserve of \$2 million in the General Fund, which will be reviewed for adjustments annually.
41. The City will maintain a Rate Stabilization Reserve (RSR) in the Water and Sewer utility enterprise funds with a goal of at least 16.67% or two months of the respective annual operating expenditures after the Capital Reserve requirements have been met. The RSR shall be used to mitigate the effects of occasional shortfalls in revenue or unanticipated expenditures that cannot be rebalanced within existing budgeted resources in any given fiscal year. Revenue shortfalls may result from a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, and poor regional economic conditions. The Rate Stabilization Reserves should be used to assist in smoothing out revenue variability resulting from these factors and ensure that adequate resources are available during such times that might otherwise require large rate increases to utility customers. The City Council will set the reserve amounts annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The RSR funding will be phased within five years, or sooner, as part of the fiscal year-end closing process. Thereafter, the replenishment of these reserves may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserves.
42. The City will maintain capital reserves in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs, pump station repairs. The City will attempt to maintain a capital reserve of approximately 30% of the annual operating and maintenance expenses for the Water utility fund and 25% of the annual operating and maintenance expenses for the Sewer utility fund. The City Council will set the reserve amounts annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known.
43. In addition, the City will maintain Infrastructure Replacement Funds for both water and sewer utilities. The goal is to accumulate at least \$2 million a year from each utility fund to set-aside for replacement of infrastructure as the infrastructure reaches the end of its useful life after Capital Reserve and the Rate Stabilization Reserve requirements have been met.
44. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
45. The City will maintain a capital reserve in an Equipment Replacement Fund, set up as an internal service fund, to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.
46. Annually, the City will endeavor to transfer \$300,000 from the General Fund to the Technology Replacement Fund set aside in a reserve with a target of \$5 million. This reserve shall be used to accrue funding for technology projects such as the major rehabilitation or replacement of the City's technology infrastructure or new technology initiatives.
47. The City will maintain a capital reserve for Facilities Replacement with a target of \$10 million. This reserve shall be used to accrue funding for major rehabilitation or replacement of City facilities (buildings/ structures). Eligible uses of this reserve may include both the direct funding of public facility improvements and the servicing of related debt. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.

48. The City will maintain a capital reserve for Artificial Turf Replacement with a target of \$2 million and an annual set-aside amount of at least \$230,000 until the target is reached. This reserve shall be used to accrue funding for the normal depreciation expense of the City's artificial turf fields over their useful life. Eligible uses of this reserve may include the replacement of the City's artificial turf fields so as to eliminate large spikes in capital expenses and normalize annual costs. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
49. The City may direct any loan repayments from the former Redevelopment Agency and residual property tax distributions from the Redevelopment Property Tax Trust Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
50. The City may direct 20% of any General Fund audited year end operating surplus after General Fund Contingency and General Fund Budget Stabilization reserve requirements have been met to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

Investment Policies

51. The Finance Director/City Treasurer will annually render an investment policy for City Council's review and modification as appropriate. The review will take place at a public meeting and the policy shall be adopted by resolution of the City Council.
52. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
53. Reports on the City's investment portfolio and cash position shall be developed by the Finance Director/City Treasurer and reviewed by the City Council quarterly.
54. Generally Accepted Accounting Principles require that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances shall not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

Accounting, Auditing, and Financial Reporting Policies

55. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
56. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within six months of the close of the previous fiscal year.
57. Quarterly financial reports and status reports will be submitted to the City Council within six weeks after the end of each Quarter and be made available to the public. The report will provide an analysis of budgeted versus actual revenues and expenditures, on a year-to-date basis. At the minimum, the report shall include the status of the General Fund and Water and Sewer utility fund revenues and expenditures.

Budget Guidelines

Through the adoption of the annual operating budget, the City Council approves the funding of City services and estimates of resources available to fund the City's services. Through adoption of this budget, the City Council also approves these budget guidelines providing certain responsibilities and authority to the City Manager to adjust the budget given fluctuations in revenues. These budget guidelines provide sufficient flexibility to make budget adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council approved budget, and establish adequate controls through budget monitoring and periodic reporting.

Annually, the City Council establishes Council Priority Areas regarding service levels to provide guidance to management in preparing the recommended budget. This budget reflects the City Council Priority Areas. Through its legislative authority, the Council approves and adopts the budget by resolution.

The City Manager is responsible for proposing to the City Council a balanced budget which is consistent with the Council's service level priorities and sound business practices. A Balanced Budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council priorities is met.

The Finance Director is responsible for developing the operating budget on behalf of the City Manager, synchronizing the operating budget with the annual capital plan, developing a ten-year General Fund Financial Forecast, establishing budget and fiscal policy, providing periodic budget status reports to the City Manager and the City Council, and developing internal monthly budget management reports for the Department Heads to facilitate control and compliance with the budget.

The Department Heads are responsible for assisting in the development of annual budgets and monitoring their respective budgets for compliance with the intent of Council priorities to ensure that appropriations of the aggregate total of the department are not exceeded.

Summary of Budget Guidelines

1. Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

2. Budget Calendar

The Finance Director publishes a budget preparation calendar to the Department Heads and to the City Council at the beginning of the budget process each year. The calendar sets forth, at a minimum, dates for the following:

- Review of service level priorities by the City Council at an annual Planning Session.
- Review and update of the Master Fee Schedule.
- Community Engagement and Outreach.
- Engagement and Outreach for City employees.
- Capital Improvement Projects Budget.
- Presentation of the City Manager's Proposed Budget to the City Council, which shall be no later than the second week in May.

3. Form and Content of the City Manager's Proposed Budget

The Ten-Year General Fund Financial Forecast and the City Manager's Proposed Budget shall be presented in a form which facilitates the City Council to determine and review, as applicable:

- Alignment of the proposed service level changes to City Council priorities as established at the annual Planning Session.
- Projected revenues by major category; based on an updated Master Fee Schedule.
- Operating expenditures by major category.
- Historical and proposed authorized staffing levels.
- Department and Office Proposed budgets as follows:
 - Service level descriptions.
 - Summary of accomplishments and initiatives.
 - Performance and workload measures.
 - Expenditure comparison with the preceding year's budget and two years of actual results.
 - Authorized staffing comparison with the preceding three years.
 - Budget reconciliation from the prior fiscal year to the Proposed Budget.
 - Recommendations for service level changes with a detailed description, performance outcome, and impact statement if the recommendation is not funded.
- Capital improvement appropriations by project.
- A schedule showing General Fund Revenue and Expenditure projection for the next nine years.

4. Adoption of the Budget

The City Council will adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget. Unless otherwise directed, all funds that are presented in the operating budget document are subject to Council approval of appropriations.

5. Budget Authority of the City Manager

The City Manager shall have the authority to make revisions involving transfers from the appropriated Unanticipated Expenditure Reserve account less than or equal to the aggregate amount of amount adopted within the budget in any one fiscal year (\$1,200,000 in FY 2020-21, or 1% of total General Fund appropriations), provided that the Council is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions as part of the quarterly financial reports.

Additionally, the City Manager shall have the authority to:

- Amend and/or transfer appropriations among departments and projects within any one fund, provided that the amount of the amended appropriation is \$100,000 or less;
- Reasonably deviate from the budgeted personnel allocation schedule provided that at no time the number of permanent funded positions or personnel cost appropriations authorized by the City Council is exceeded;
- Hire full-time employees in overstrength positions for no more than one year as long as appropriations are not exceeded to ensure adequate staffing levels for sworn positions, facilitate training of new employees by the outgoing incumbent or respond to urgent staffing needs; and
- Add/delete positions or to move positions between departments to respond to organizational needs, as long as the number of permanent funded positions and the approved personnel cost appropriations remain the same.

Prior approval of the City Council is required for changes that:

- Increase the overall appropriation level within any one Fund.
- Transfer or reallocate appropriations between different Funds.
- Cause an increase or decrease in funded authorized position counts in the Adopted Budget.
- Cause the aggregate amount of contract change orders to exceed 15 percent of the contract amount and/or exceed prior approved appropriation levels for the subject contract.
- Cause transfers from appropriated contingent reserves account to exceed the aggregate amount of \$1,200,000 during the fiscal year.
- Result in changes not consistent with the purpose and intent of the Budget as adopted.
- Require an appropriation action from any unassigned fund balances or reserves.

6. Budget Amendments by the City Council

At City Council meetings, the City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances or reserves.

7. Budget Transfers and Modification Procedures

Procedures to implement budget transfers or budget modifications are detailed in Standard Operating Procedure No. 21-1, subject to any changes by the Budget Resolution.

8. Automatic Adjustments and Reappropriations

Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets.

Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets. Unspent City funded grant appropriations from prior fiscal year will automatically be carried over to the current year's budgets.

Incomplete multiple year project (capital improvement project) balances will automatically be appropriated.

Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of the fiscal year may be reappropriated for continued use in the subsequent fiscal year. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2019-20 are subject to carry over into FY 2020-21.

9. Budget Monitoring and Reporting

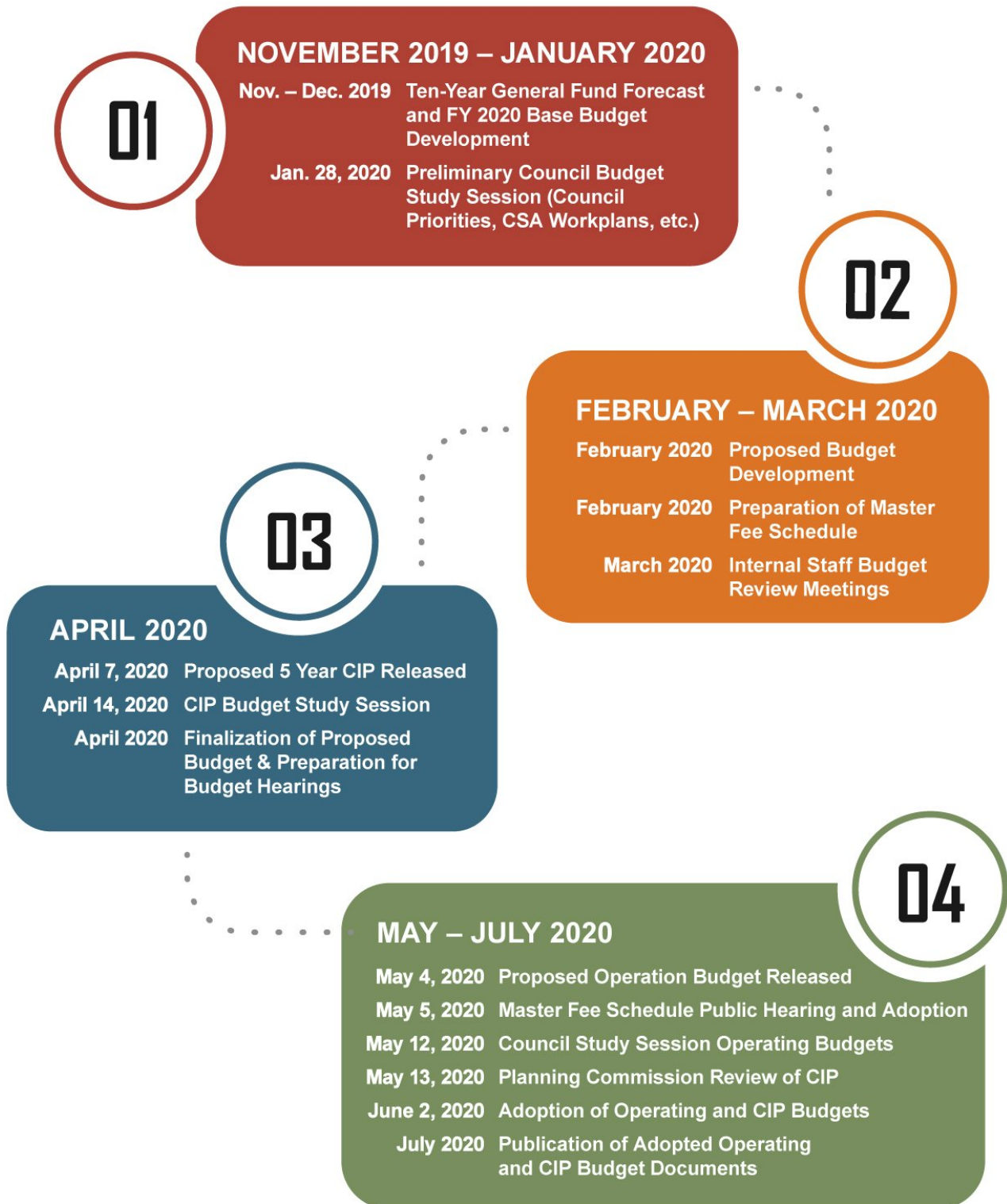
Monthly Financial Reports - The Director of Finance will prepare and make available a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.

Quarterly Financial Status Reports - The Director of Finance will periodically prepare financial status reports for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures; Water and Sewer utility fund revenues and expenditures; and document any use of the appropriated Unanticipated Expenditure Reserve.

10. Reserves

Various unallocated reserves are desired in each of the City's funds to protect the City in emergencies, economic uncertainties, and to finance unforeseen opportunities and/or requirements. Key reserve policies for various funds are described in detail in the document entitled "City of Milpitas Fiscal Policies".

City of Milpitas FY 2020-2021 Budget Process



Budget Development and Document

Annual Budget Development

Every year the City Council adopts a Budget and Financial Plan for the next fiscal year, (the City's fiscal year runs from July 1 of one year through June 30 of the next year). Through the adoption of the annual budget, the City Council approves the funding of City services and estimates of resources available to fund the City's services. The budget is also developed based on the following:

- The City Council's Priority Area and other City Council directives.
- The City's ten-year General Fund Financial Forecast, which is updated annually and presented to the City Council prior to the release of the proposed budget.
- Input from the Community through surveys and community meetings.
- Service level prioritization as identified by the City Manager.
- Availability and sustainability of revenues.
- Legal mandates.
- Prioritization criteria outlined in the capital budget.

In the fall of each year, staff develops the base budget for the upcoming fiscal year and the ten-year General Fund Financial Forecast based on available information. The base budget reflects the Council approved service level with updated costs. As part of developing the base budget for the upcoming fiscal year, staff projects the revenues and expenditures for the next 10 fiscal years to develop the Forecast. The ten-year General Fund Financial Forecast projects whether the City will experience budget shortfalls or surpluses in the next fiscal year and thereafter.

The annual public budget development process begins in January with a review of City Council Priority Areas and the presentation of the ten-year General Fund Financial Forecast. Through surveys and community meetings, staff engages the community for input into budget priorities. In May, based on the input from City Council and the community, the City Manager publishes the proposed budget for the upcoming year. During May and June, the City Council holds study sessions and public hearings prior to adopting the annual budget. The City Council adopts the Proposed Budget as it may be amended during the budget hearings. In summer, the City publishes its Adopted Budget. For the Fiscal Year 2020-21 budget development process, please review the timeline and steps shown on the previous page.

Understanding the Budget Document

The operating budget document includes city-wide information as well as information specific to each fund and each department. The City receives revenue from numerous different sources, many of which have restrictions on how they can be used. Separate funds are established to account for the different types of revenues and allowable uses of those revenues. The annual budget information is available after the publication of the annual Adopted Budget, which occurs in August. At this time, the annual budget will also be available on Open Budget, which is described below.

General Fund: This is the primary fund used to account for all general revenues of the City (e.g. property, sales, transient occupancy and utility user taxes). In general, these funds are allocated at the discretion of the City Council. This revenue is used to support citywide services such as public safety, community services, planning and community environment, and administrative support services. Some activities in the General Fund, such as building inspection and recreation functions, are also intended to be substantially self-supporting through fees for services charged to individuals. In areas where specific benefit for a service can be identified to specific individuals, the City has a policy of charging a fee to offset the cost of providing the service.

Enterprise Funds: These funds are established to function as self-supporting operations wherein expenditures are entirely offset by fees or charges for services. These funds are used to account for specific services which are funded directly by fees and charges to users. In Milpitas, Enterprise Funds include the Water Fund and the Sewer

Fund. The intent is that these two funds be completely self-supporting and not be subsidized by any general revenue or taxes. The utility bills sent to each household and business in the community charge for the cost of providing water and sewer customer services.

Internal Service Fund: These funds are established to account for a variety of business services provided by one City department (or division) to other City departments. Equipment and fleet maintenance services are provided to all City departments through internal service funds. Departments are charged for these services based on their respective utilization.

Capital Improvement Funds: Revenues and expenses for capital projects are accounted for in separate funds. A capital improvement is usually a large construction project such as the resurfacing of City streets, the development of park land, the construction of an overpass, the installation of a traffic signal, or the acquisition of land and construction or remodeling of a public building. The City's Capital Improvement Funds include Street Improvement Fund, the Park Fund, General Government Fund, and Storm Drain Fund Construction Fund.

Special Revenue Funds: These funds are used to account for the proceeds of revenues that are designated for specific or restricted uses. These funds include gas tax funds from the State, federal revenue for Community Development Block Grants (CDBG), and transportation mitigation fees paid by developers.

Debt Service Fund: Debt financing is occasionally undertaken for the purchase, replacement or rehabilitation of capital assets. A separate fund is established to account for these non-operating expenses.

Budgets and Budgetary Accounting

The City's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis.

The legal level of budgetary control or authorized appropriations is exercised at the departmental level for those funds which have annually adopted budgets such as the General Fund, Enterprise Funds, Special Revenue Funds and Capital Improvement Funds. Finance is responsible that appropriations are not exceeded during the fiscal year.

Appropriations automatically lapse at the end of the fiscal year unless an encumbrance exists, with the exception of balances remaining in the capital project accounts and grant accounts at the end of the fiscal year. These balances are carried forward to the following fiscal year until the project is completed.

Prop 4 - Appropriations Limit

The City establishes an appropriations limit by resolution consistent with the State Constitution, each year during the budget process, which commences after the beginning of each fiscal year. The appropriation base is adjusted each year by changes in population, cost of living and transfers of financial responsibility.

Budget Amendments

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions consistent with the Council approved Budget Guidelines. Per the Guidelines, the City Manager is authorized to amend and/or transfer appropriations among departments and projects within any one fund, provided that the amount of the amended appropriation is \$100,000 or less. Otherwise, any other budget amendment which changes the total appropriation for a department or fund requires Council approval. Examples of these amendments include but are not limited to:

- The acceptance of additional grant money which might become available;
- The number of positions approved in the Budget;
- The appropriation of additional funding if expenditures are projected to exceed budgeted amounts; or
- The re-appropriation of monies from one fund to another.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement that is applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Those revenues susceptible to accrual are property and sales taxes and interest revenue. Forfeitures, licenses, permits, and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Revenues not considered earned but received are accounted for as revenue collected in advance.

Expenditures are also generally recognized under the modified accrual basis of accounting. An exception to this rule is principal and interest on general long-term debt, which is not recognized by debt services funds until it is due. Financial resources usually are appropriated in funds responsible for repaying debt for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Revenues for services provided but not billed at the end of the fiscal year are not material and are not accrued.

Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably.

Department Information

The Budget Narrative and Summary section of the budget document summarizes the service delivery and budgetary information for each department as follows: Mission Statement, Description, and Services highlight the purpose and functions for each department.

Organizational Chart: this functional organizational chart depicts full-time equivalent (FTE) positions, which report to a department director and identifies any position changes such as additions, deletions, or reclassifications; position moves from one department to another; and temporary positions.

Accomplishments: identifies the department's noteworthy accomplishments over the past 12 to 18 months and their alignment to Council Priority Areas.

Initiatives: highlights the major work plan items for the department for the upcoming Fiscal Year and their alignment to Council Priority Areas.

Performance and Workload Measures: lists key department performance measures and identifies key quantifiable department outputs.

Budget Summary: summarizes key expenditure data for the department for several fiscal years (FY 2018 Actuals, FY 2019 Actuals, FY 2020 Adopted, and FY 2021 Budget) by function, if applicable, and expenditure categories.

Staffing: lists all full-time equivalent (FTE) positions by function, if applicable, and by classifications.

Budget Reconciliation: outlines the major base budget and service level changes from the previously adopted budget to the newly presented proposed or adopted budget. Base budget reconciliation changes include deletion of one-time expenditures, updated salary and benefits cost in accordance with the salary and benefits structure approved by the City Council, or addition of ongoing expenditures as approved by the City Council. The service level change table itemizes service level change recommendations and related expenditures.

Service Level Changes: describes service level changes compared to the prior fiscal year in alignment with the dominant Council Priority Area identified with one of the icons below; the anticipated performance impact as it relates to Quality, Cost, Cycle Time, Customer Satisfaction, and Sustainability with the icons identified below; and the impact, if the service level change is not funded.

Council Priority Areas Icons:



Community Wellness and Open Space

Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.



Economic Development and Job Growth

Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.



Environment

Promote a sustainable community and protect the natural environment.



Governance and Administration

Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.



Neighborhoods and Housing

Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.



Public Safety

Continue to invest in police and fire protection, in partnership with our community.



Transportation and Transit

Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.

Performance Impact Icons:



Cost



Cycle Time



Customer Satisfaction



Quality



Sustainability

Open Budget

In order to facilitate understanding and transparency of the budget document, the City provides budget information through OpenGov, an online tool that provides users with different views of the City's budget data by fund, department, revenues, and expenditures. The tool can be accessed by visiting www.milpitasca.opengov.com. The City invites you to use the online tool to:

- Search the current year's budget and financial data.
- View trends in revenues and expenditures over time.
- Drill down into expenses by department or account type.
- Display the data as graphs or charts.
- Download into Excel.
- Share with friends using email or social media.
- Send comments directly to the City online.

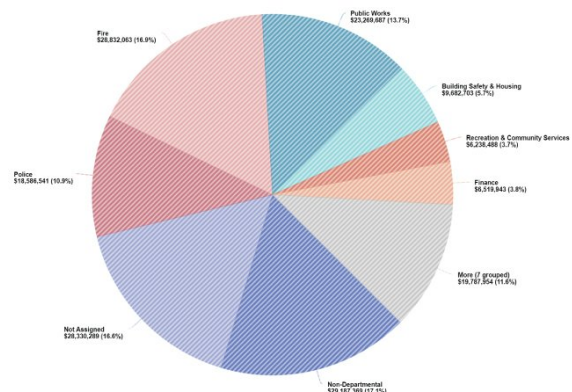
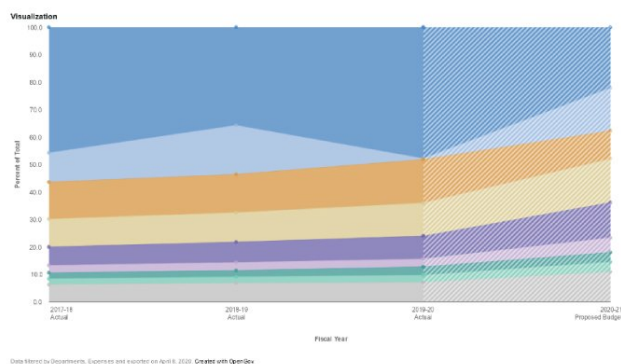
How Does it Work?

Governmental budgets are composed of funds, departments, and accounts. Using a pull-down filter, you can choose the combination you want to explore.

By clicking on one these icons, you can choose whether you want to display graphs showing changes over the years, a pie chart for a single year, or download portions into Excel.



You can also cut and paste any illustration into another document, send it to friends using email or Twitter, or post it on Facebook!





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

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California**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director

*California Society of
Municipal Finance Officers*

Certificate of Award

*Operating Budget Excellence Award
Fiscal Year 2019-2020*

Presented to the

City of Milpitas

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting.

January 31, 2020



Steve Heide

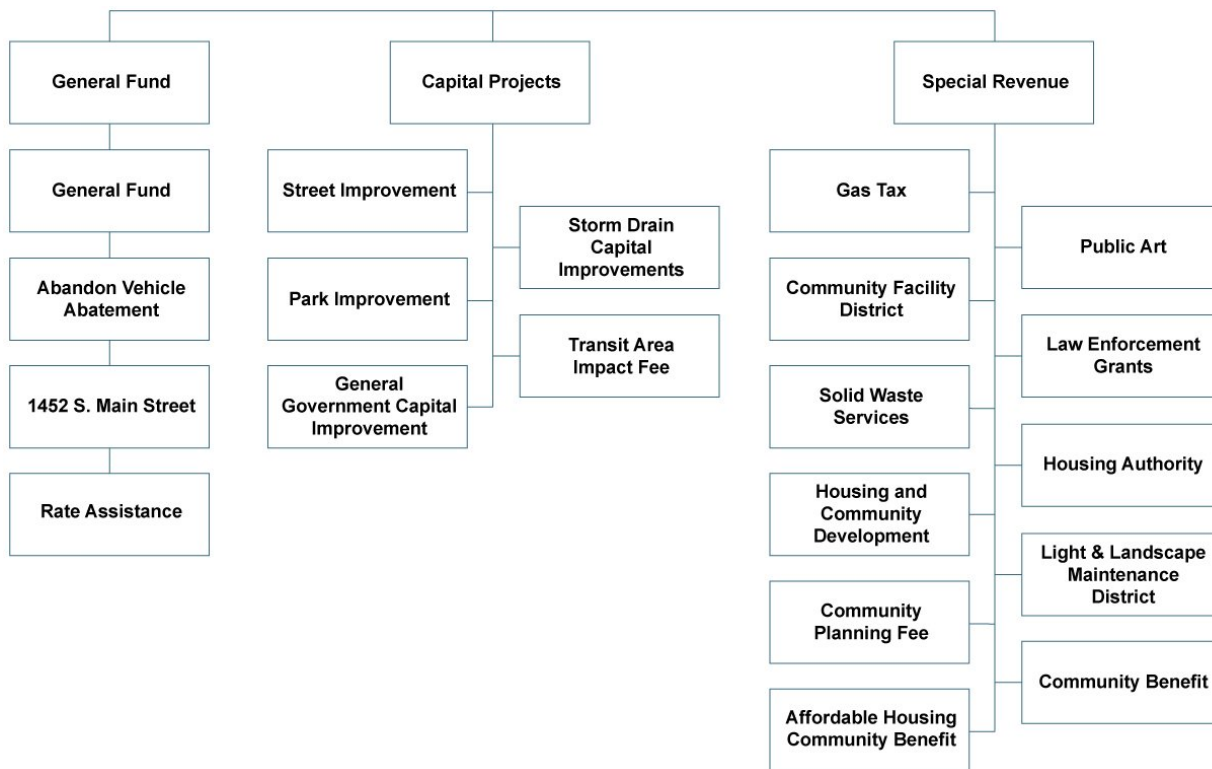
Steve Heide
CSMFO President

Yolanda Rodriguez

Yolanda Rodriguez, Chair
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

Fund Structure



Accrual Basis of Budgeting



Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis for all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

Accrual Basis is a basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

Modified Accrual Basis is a basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred.

Budget Summary

Estimated Revenues

	Grand Total	General Fund ⁽¹⁾
Property Taxes	\$36,872,241	\$36,872,241
Sales Taxes	28,371,951	28,371,951
Transient Occupancy Tax	13,452,683	13,452,683
Licenses, Permits & Fines	9,907,120	9,907,120
Charges For Services	67,662,540	7,814,500
Franchise Fees	5,724,787	5,514,787
Use of Money & Property	5,344,000	1,364,000
Other Taxes	4,550,286	1,196,860
Intergovernmental Revenue	3,303,028	808,597
Other Revenue	18,015,087	258,000
Operating Transfers In	11,983,059	7,013,990
sub-total	205,186,782	112,574,729

Other Financing Sources

(Increase) Decrease in Fund Balance	(1,041,528)	4,588,909
(Increase) Decrease in CIP Reserve	3,285,906	0
Other Financing Sources	13,000,000	0
sub-total	15,244,378	4,588,909
TOTAL	\$220,431,160	\$117,163,638

Budgeted Appropriations

Personnel Services	\$105,566,622	\$94,532,763
Non-Personnel Expenditures	57,566,703	22,082,491
Capital Outlay	2,039,331	248,384
Operating Transfers Out	11,983,059	300,000
sub-total	177,155,715	117,163,638
Capital Improvements	39,707,395	0
Debt Service	3,568,050	0
sub-total	43,275,445	0
TOTAL	\$220,431,160	\$117,163,638

Fund Balance

Fund Balance 7/01/2020	345,431,000	75,730,000
Net Changes in Fund Balance	(2,244,378)	(4,588,909)
TOTAL	\$343,186,622	\$71,141,091
Restricted	\$13,567,534	\$0
Restricted for CIP	224,564,094	0
Committed, Artificial Turf	980,000	980,000
Committed, Technology	2,000,000	2,000,000
Committed, Facilities	7,000,000	7,000,000
Committed for PERS	33,900,000	33,900,000
Unassigned, Unrestricted	33,913,903	0
Contingency Reserve, Unassigned	17,900,000	17,900,000
Budget Stabilization, Unassigned	9,361,091	9,361,091
TOTAL	\$343,186,622	\$71,141,091

(1) General Fund Fund, Abandon Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.

(2) Other Funds include Community Benefit Fund, Community Facility District Funds, Community Planning Fee Fund, Gas Tax Fund, Equipment Replacement Fund, Housing and Community Development Fund, Information Technology Replacement Fund, Law Enforcement Grant Funds, Light & Landscape Maintenance District Funds, Measure B Fund, Permit Automation Fund, Public Art Fund, and Solid Waste Services Fund.

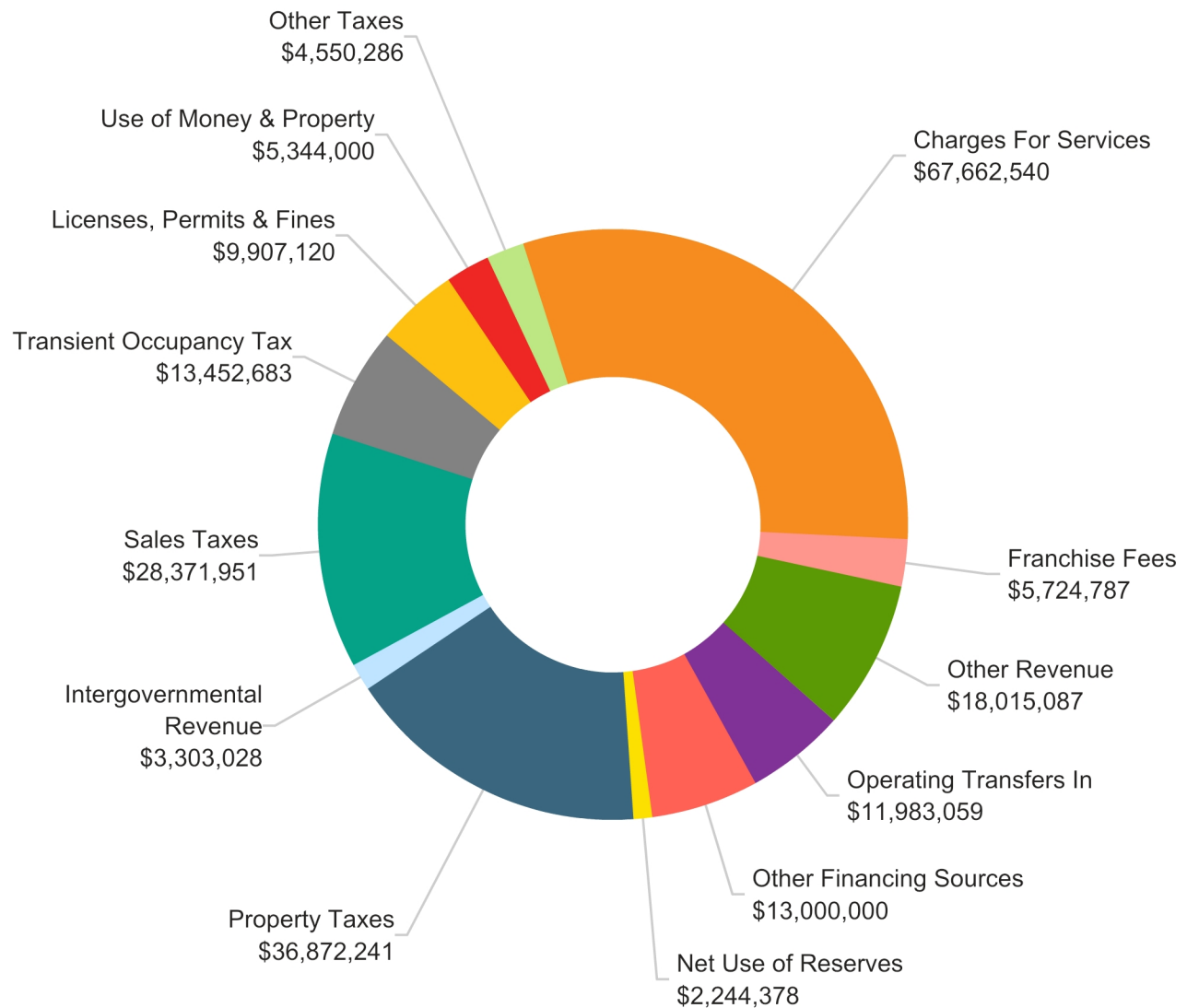
Housing Authority	Other Funds ⁽²⁾	Capital Projects ⁽³⁾	Water Fund ⁽⁴⁾	Sewer Fund ⁽⁵⁾
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
149,000	3,620,502	0	35,386,553	20,691,985
0	210,000	0	0	0
143,000	379,000	2,174,000	694,000	590,000
0	3,353,426	0	0	0
0	600,000	1,894,431	0	0
0	6,226,000	7,182,087	1,799,000	2,550,000
0	300,000	4,669,069	0	0
292,000	14,688,928	15,919,587	37,879,553	23,831,985
450,200	1,024,192	0	(4,172,542)	(2,932,287)
0	0	(9,308,387)	6,666,188	5,928,105
0	0	13,000,000	0	0
450,200	1,024,192	3,691,613	2,493,646	2,995,818
\$742,200	\$15,713,120	\$19,611,200	\$40,373,199	\$26,827,803
\$0	\$4,532,642	\$0	\$3,789,647	\$2,711,570
742,200	2,910,594	0	20,814,123	11,017,295
0	1,050,947	0	540,000	200,000
0	7,218,937	0	2,748,779	1,715,343
742,200	15,713,120	0	27,892,549	15,644,208
0	0	19,536,200	11,435,000	8,736,195
0	0	75,000	1,045,650	2,447,400
0	0	19,611,200	12,480,650	11,183,595
\$742,200	\$15,713,120	\$19,611,200	\$40,373,199	\$26,827,803
500,000	25,281,000	122,250,000	55,400,000	66,270,000
(450,200)	(1,024,192)	9,308,387	(2,493,646)	(2,995,818)
\$49,800	\$24,256,808	\$131,558,387	\$52,906,354	\$63,274,182
\$49,800	\$13,517,734	\$0	\$0	\$0
0	0	131,558,387	43,833,812	49,171,895
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	10,739,074	0	9,072,542	14,102,287
0	0	0	0	0
0	0	0	0	0
\$49,800	\$24,256,808	\$131,558,387	\$52,906,354	\$63,274,182

(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

(4) Water Fund includes Water Maintenance & Operations Fund, 2019 Water Bonds Fund, Water CIP Fund, Water Line Extension Fund, and Water Infrastructure Replacement Fund.

(5) Sewer Fund includes Sewer Maintenance & Operations Fund, 2019 Sewer Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund, 2017 Sewer Refunding Bonds, and Sewer Infrastructure replacement Fund.

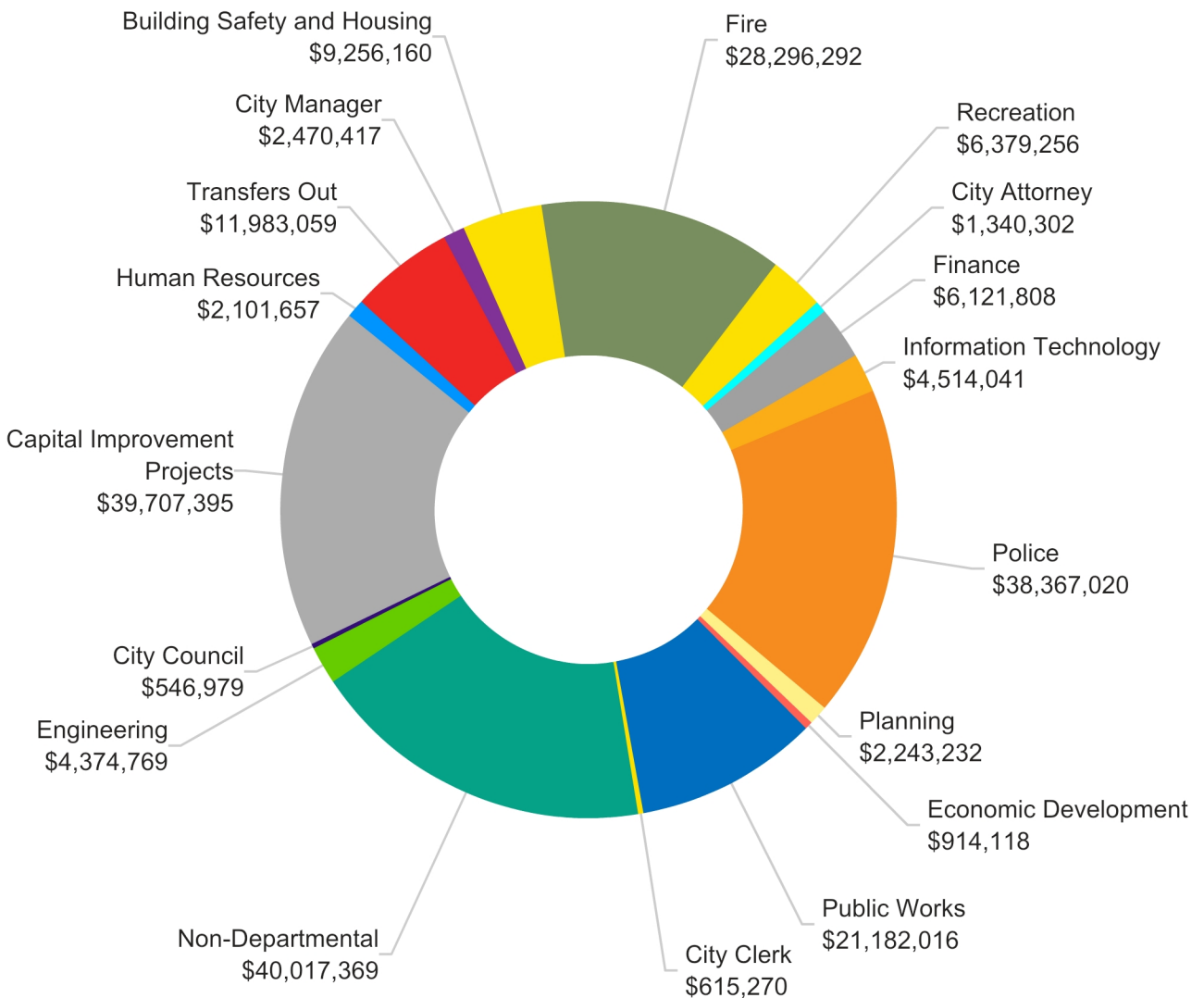
FY 2020-21 Revenues (All Funds) \$220.4 Million



FY 2020-21 Expenditures

(All Funds)

\$220.4 Million



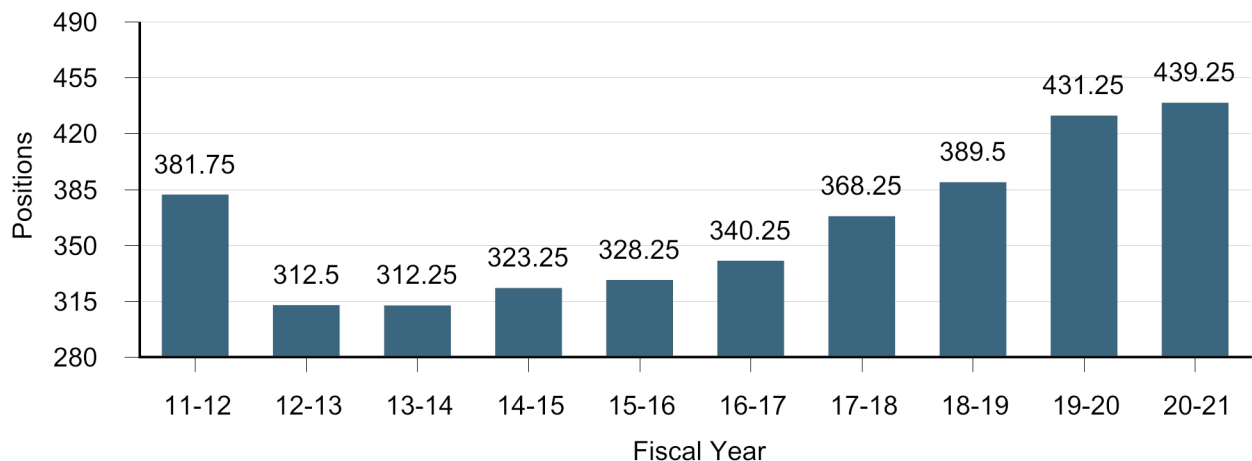
Funded Permanent Positions by Department

	Adopted Budget 17-18	Change from the prior FY	Adopted Budget 18-19	Change from the prior FY	Adopted Budget 19-20	Change from the prior FY	Proposed Budget 20-21	Change from the prior FY
City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00
City Manager	3.00	(1.00)	6.00	3.00	6.00	0.00	6.00	0.00
City Clerk	3.00	1.00	3.00	0.00	3.00	0.00	3.00	0.00
Economic Development	3.00	2.00	3.00	0.00	3.00	0.00	3.00	0.00
City Attorney	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00
Building Safety and Housing	24.00	6.00	24.00	0.00	33.00	9.00	33.00	0.00
Engineering	18.00	(7.00)	23.00	5.00	25.00	2.00	24.00	(1.00)
Finance	24.50	1.00	27.50	3.00	29.50	2.00	29.50	0.00
Fire *	68.00	5.00	69.00	1.00	77.00	8.00	83.00	6.00
Human Resources	5.00	1.00	5.00	0.00	7.00	2.00	7.00	0.00
Information Technology	10.00	0.00	11.00	1.00	12.00	1.00	13.00	1.00
Planning	9.00	(2.00)	9.00	0.00	10.00	1.00	10.00	0.00
Police	114.00	3.00	117.00	3.00	126.00	9.00	126.00	0.00
Public Works	65.00	19.00	68.00	3.00	73.00	5.00	75.00	2.00
Recreation and Community Services	15.75	0.00	18.00	2.25	20.75	2.75	20.75	0.00
TOTAL	368.25	28.00	389.50	21.25	431.25	41.75	439.25	8.00

* On 10/01/2019, the City Council approved 6.0 Firefighter positions partially offset by a federal SAFER Grant.

Funded Permanent Positions

439.25 FTEs - All Funds



Revenues by Fund

Description	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
100 General Fund	\$105,323,121	\$112,751,530	\$118,415,020	\$112,142,729
103 1452-1474 S. Main	238,950	178,278	125,000	142,000
105 Abandon Veh Abatement	98,328	105,792	47,500	100,000
106 Short Term Disability	0	10,903	0	0
109 Utility Rate Assistance	0	190,896	300,000	190,000
150 Redevelopment Administration	64,560	49,425	0	0
211 Hetch Hetchy Ground Lease	22,801	23,223	1,000	5,000
213 Public Art Fund-Nonrestricted	3,311	484,945	5,000	16,000
214 Community Planning Fee Fund	470,339	479,783	313,000	319,000
215 Community Benefit Fund	504,419	7,343	0	0
216 Affordable Housing Fund	0	1,850,770	2,000,000	2,000,000
221 Gas Tax Fund	1,879,898	2,078,757	1,921,065	1,976,753
225 SB1 Road Maintenance & Rehab	441,869	1,372,889	1,323,564	1,439,673
235 95-1 Lighting/Lscape Dist	324,137	340,030	361,000	382,000
236 98-1 Lighting/Lscape Dist	40,455	41,765	44,000	46,000
237 05 Community Fclty Dist	1,104,294	1,175,272	1,212,000	1,251,000
238 08 Community Fclty Dist	827,961	977,844	1,700,000	2,570,000
250 HCD Fund	373,820	657,731	450,000	600,000
251 HCD Loan	0	0	1,000	2,000
261 Supplemental Law Enforcement	172,908	100,485	2,000	3,000
262 State Asset Seizure	3,780	1,149	0	0
263 Federal Asset Seizure	812	1,193	0	0
267 Federal Grants Police Department	43,334	74,835	0	0
268 State Grants Police Department	14,362	11,220	0	0
269 Grants Fire Department	14,374	64,271	0	0
280 Solid Waste Services	1,086,298	392,103	239,000	243,000
295 Housing Authority	239,350	293,905	185,000	292,000
310 Street Fund	119,319	1,243,135	98,000	73,000
311 Street CIP	5,945,266	5,743,713	6,629,415	4,872,087
312 Traffic Impact Fee	61,812	4,309	27,000	36,000
314 Vehicle Registration Fee	474,012	526,441	460,000	0
315 Calaveras Widening Impact Fee	263,741	574,279	0	0
316 Montague Widening Impact Fee	4,630	6,797	0	0
317 Milpitas Business Park Impact Fee	9,564	4,824	11,000	0

Financial Information

Description	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
320 Park Improvement Fund	265,895	539,945	1,299,000	1,033,000
321 Park Improvement CIP	12,075,000	14,547,042	2,950,000	0
322 Midtown Park Fund	15,686	1,497,903	1,555,363	1,429,000
330 General Government	362,978	12,250,569	4,752,000	8,291,387
331 General Government CIP	13,468,416	8,915,245	15,387,000	19,032,500
334 2020 Fire Station Bonds	0	0	0	13,000,000
340 Storm Drain Development	463,854	1,380,870	1,058,000	810,000
341 Storm Drain CIP	1,515,000	610,000	1,755,000	1,170,000
350 Transit Area Impact Fee Fund	28,103,941	40,468,399	19,886,057	6,216,000
351 Transit Area Impact Fee CIP Fund	9,405,198	13,777,907	11,600,000	2,966,000
400 Water M & O Fund	25,715,394	25,998,588	30,069,848	32,065,091
401 Water CIP	11,020,000	5,578,800	11,674,260	11,605,000
402 Water Line Extension Fund	2,284,087	970,547	1,032,000	1,592,000
403 2019 Water Bonds	0	0	25,000,000	0
405 Water Infrastructure Replacement	4,830,994	5,094,340	7,955,419	4,392,462
450 Sewer M & O Fund	17,429,908	19,672,908	19,667,127	20,967,985
451 Sewer CIP	11,305,000	4,400,000	28,540,050	9,045,195
452 Treatment Plant Construction	1,575,362	1,566,575	1,104,000	2,657,000
453 2017 Sewer Refunding Bonds	120	62	0	0
454 2019 Sewer Bonds	0	0	35,000,000	0
455 Sewer Infrastructure Replacement	30,853	14,674,607	35,000	516,000
500 Equipment Replacement Fund	5,389,908	5,805,804	3,555,578	3,480,502
505 Information Technology Replacement	303,352	306,175	303,000	310,000
506 Permit Automation Fund	998,577	1,404,429	1,537,000	45,000
TOTAL	\$ 266,731,348	\$ 311,280,550	\$ 361,586,266	\$ 269,325,364
Less Interfund Operating Transfers*			(78,264,310)	(51,138,582)
(Increase) Decrease of Reserves			(35,462,445)	2,244,378
TOTAL BUDGET SUMMARY REVENUES			\$ 247,859,511	\$ 220,431,160

* Interfund Operating Transfers are transfers within the same fund group on the Budget Summary

Revenues by Fund (Detail)	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Secured & Unsecured	\$25,085,484	\$18,686,841	\$18,953,141	\$20,085,705
3013 VLF	0	7,257,936	7,581,640	7,941,031
3014 ERAF	0	1,591,080	1,975,000	1,940,550
3051 RPTTF	6,924,240	6,388,736	6,414,919	6,904,955
sub-total	32,009,724	33,924,593	34,924,700	36,872,241
SALES TAXES				
3110 Sales and Use Tax	26,990,987	27,983,151	26,236,242	27,411,366
3111 Public Safety Sales and Use Tax.....	863,344	906,633	963,800	960,585
sub-total	27,854,331	28,889,784	27,200,042	28,371,951
OTHER TAXES				
3120 Real Estate Transfer Tax	697,535	790,633	773,000	796,190
3140 Business License Tax	328,548	337,898	355,000	365,650
3511 Motor Vehicle In-Lieu	39,695	35,936	34,000	35,020
sub-total	1,065,778	1,164,467	1,162,000	1,196,860
FRANCHISE FEES				
3131 Electric Franchise	1,411,414	1,324,972	1,463,000	1,506,890
3132 Gas Franchise	266,215	253,032	233,000	265,650
3133 Garbage Franchise-Commercial	2,425,470	3,007,640	2,623,000	3,105,707
3138 CATV Franchise	574,709	541,667	618,000	636,540
sub-total	4,677,808	5,127,311	4,937,000	5,514,787
TRANSIENT OCCUPANCY TAX				
3150 Transient Occupancy Tax	12,121,516	14,502,737	19,557,639	13,452,683
sub-total	12,121,516	14,502,737	19,557,639	13,452,683
LICENSES, PERMITS, AND FINES				
3210 Building Permit & Inspection Fees.....	7,961,751	7,474,160	9,239,176	4,258,800
3217 Building Plan Review Fees	1,961,858	1,977,444	2,313,000	2,905,000
3220 Fire Permit & Inspection Fees	1,716,720	1,255,413	2,249,304	1,575,938
3240 Fire Annual Permit & Inspection Fees	598,161	580,238	897,506	734,657
3260 Other Licenses & Permits	43,511	44,765	49,500	43,125
3300 Fines & Forfeits	475,867	425,097	501,810	389,600
sub-total	12,757,868	11,757,117	15,250,296	9,907,120
USE OF MONEY AND PROPERTY				
3430 Investment Interest	1,205,312	2,028,720	1,267,000	1,364,000
3770 Sale of Property, Plant, & Equipment	9,543	3,567	1,000	0
sub-total	1,214,855	2,032,287	1,268,000	1,364,000

Revenues by Fund (Detail)

	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
INTERGOVERNMENTAL				
3550 Federal Contributions	80,248	206,567	616,427	452,047
3560 State Contributions	11,702	678,727	250,000	0
3570 County Contributions	338,369	369,915	260,000	200,000
3580 Other Restricted Grants	133,534	114,067	120,000	56,550
sub-total	563,853	1,369,276	1,246,427	708,597
CHARGES FOR CURRENT SERVICES				
3600 General Government Service Charges	787,600	644,759	539,000	640,000
3610 Engineering Service Charges	1,839,975	2,163,628	1,638,389	1,814,000
3630 Fire Service Charges	1,009,044	343,387	302,000	460,000
3640 Police Service Charges	684,847	718,414	742,100	730,000
3650 Recreation Service Charges	2,557,780	2,654,675	3,001,426	3,043,000
3660 Building Service Charges	111,522	90,671	91,500	46,000
3680 Planning Service Charges	359,650	236,610	521,499	939,500
sub-total	7,350,418	6,852,144	6,835,914	7,672,500
OTHER REVENUE				
3710 Development	9,342	10,194	15,000	48,000
3740 Reimbursements	0	10,442	0	0
3750 Donations	32,530	0	5,000	0
3790 Miscellaneous Other Revenue	113,556	114,496	20,000	20,000
sub-total	155,428	135,132	40,000	68,000
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	248,000	99,748	99,456	109,778
3809 Op Trfs in Street Improv Fund	0	146,776	0	0
3812 Op Trfs in from Water Fund	2,594,000	2,705,884	2,725,061	2,748,779
3815 Op Trfs in from Sewer Fund	1,685,000	1,544,274	1,568,485	1,585,433
3819 Op Trfs in from Other	900,000	900,000	1,600,000	2,570,000
3822 Op Trfs in from General Gov't Fund	108,546	0	0	0
3826 Op Trfs in from Measure I TOT Fund	15,996	0	0	0
3852 Appn Tfr in from General Gov't Fund	0	1,600,000	0	0
sub-total	5,551,542	6,996,682	5,993,002	7,013,990
TOTAL (100)	105,323,121	112,751,530	118,415,020	112,142,729
1452-1474 S. MAIN (103)				
3430 Investment Interest	10,647	18,754	0	0
3600 General Government Service Charges	228,303	159,524	125,000	142,000
TOTAL (103)	238,950	178,278	125,000	142,000

Revenues by Fund (Detail)

	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
ABANDON VEH ABATEMENT (105)				
3570 County Contributions	67,280	96,031	47,500	100,000
3899 Op Trfs in from Subsidiary CIP Fund	31,048	9,761	0	0
TOTAL (105)	98,328	105,792	47,500	100,000
SHORT TERM DISABILITY (106)				
3899 Op Trfs in from Subsidiary CIP Fund	0	10,903	0	0
TOTAL (106)	0	10,903	0	0
UTILITY RATE ASSISTANCE (109)				
3430 Investment Interest	0	2,756	0	0
3790 Miscellaneous Other Revenue	0	188,140	200,000	190,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	100,000	0
TOTAL (109)	0	190,896	300,000	190,000
REDEVELOPMENT ADMINISTRATION (150)				
3899 Op Trfs in from Subsidiary CIP Fund	64,560	49,425	0	0
TOTAL (150)	64,560	49,425	0	0
HETCH HETCHY GROUND LEASE (211)				
3430 Investment Interest	22,801	23,223	1,000	5,000
TOTAL (211)	22,801	23,223	1,000	5,000
PUBLIC ART FUND-NONRESTRICTED (213)				
3430 Investment Interest	3,311	11,560	5,000	16,000
3710 Development	0	473,385	0	0
TOTAL (213)	3,311	484,945	5,000	16,000
COMMUNITY PLANNING FEE FUND (214)				
3430 Investment Interest	10,963	21,206	15,000	19,000
3680 Planning Service Charges	459,376	458,577	298,000	300,000
TOTAL (214)	470,339	479,783	313,000	319,000
COMMUNITY BENEFIT FUND (215)				
3430 Investment Interest	4,419	7,343	0	0
3710 Development	500,000	0	0	0
TOTAL (215)	504,419	7,343	0	0
AFFORDABLE HOUSING FUND (216)				
3430 Investment Interest	0	6,398	0	0
3710 Development	0	600,908	0	2,000,000
3819 Op Trfs in from Other	0	250,000	0	0
3831 Appn Transfers in from General Fund	0	993,464	2,000,000	0
TOTAL (216)	0	1,850,770	2,000,000	2,000,000

Revenues by Fund (Detail)

	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
GAS TAX FUND (221)				
3430 Investment Interest	22,878	58,921	42,000	63,000
3540 Gas Tax	1,596,921	1,536,711	1,879,065	1,913,753
3802 Op Trfs in from Gas Tax Fund	260,099	0	0	0
3809 Op Trfs in Street Improv Fund	0	483,125	0	0
TOTAL (221)	1,879,898	2,078,757	1,921,065	1,976,753
SB1 ROAD MAINTENANCE & REHABILITATION (225)				
3549 Road Maintenance & Rehabilitation	441,869	1,372,889	1,323,564	1,439,673
TOTAL (225)	441,869	1,372,889	1,323,564	1,439,673
95-1 LIGHTING/LSCAPE DIST (235)				
3430 Investment Interest	1,362	1,460	1,000	2,000
3720 Special Assessments	322,775	338,570	360,000	380,000
TOTAL (235)	324,137	340,030	361,000	382,000
98-1 LIGHTING/LSCAPE DIST (236)				
3430 Investment Interest	388	174	0	0
3720 Special Assessments	40,067	41,591	44,000	46,000
TOTAL (236)	40,455	41,765	44,000	46,000
05 COMMUNITY FCLTY DIST (237)				
3430 Investment Interest	9,978	19,809	12,000	21,000
3720 Special Assessments	1,094,316	1,155,463	1,200,000	1,230,000
TOTAL (237)	1,104,294	1,175,272	1,212,000	1,251,000
08 COMMUNITY FCLTY DIST (238)				
3430 Investment Interest	(1,790)	0	0	0
3720 Special Assessments	829,751	977,844	1,700,000	2,570,000
TOTAL (238)	827,961	977,844	1,700,000	2,570,000
HCD FUND (250)				
3550 Federal Contributions	373,820	657,731	450,000	600,000
TOTAL (250)	373,820	657,731	450,000	600,000
HCD LOAN (251)				
3430 Investment Interest	0	0	1,000	2,000
TOTAL (251)	0	0	1,000	2,000
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3430 Investment Interest	1,970	3,236	2,000	3,000
3560 State Contributions	170,938	97,249	0	0
TOTAL (261)	172,908	100,485	2,000	3,000

Revenues by Fund (Detail)	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
STATE ASSET SEIZURE (262)				
3430 Investment Interest	764	1,149	0	0
3560 State Contributions	3,016	0	0	0
TOTAL (262)	3,780	1,149	0	0
FEDERAL ASSET SEIZURE (263)				
3430 Investment Interest	812	1,193	0	0
TOTAL (263)	812	1,193	0	0
FEDERAL GRANTS POLICE DEPARTMENT (267)				
3550 Federal Contributions	43,334	74,835	0	0
TOTAL (267)	43,334	74,835	0	0
STATE GRANTS POLICE DEPARTMENT (268)				
3430 Investment Interest	1,288	1,220	0	0
3560 State Contributions	13,074	10,000	0	0
TOTAL (268)	14,362	11,220	0	0
GRANTS FIRE DEPARTMENT (269)				
3550 Federal Contributions	14,374	15,865	0	0
3570 County Contributions	0	48,406	0	0
TOTAL (269)	14,374	64,271	0	0
SOLID WASTE SERVICES (280)				
3139 County-wide AB 939 Fee	444,444	205,790	210,000	210,000
3430 Investment Interest	24,616	32,807	29,000	33,000
3560 State Contributions	16,568	18,779	0	0
3610 Engineering Service Charges	72,576	0	0	0
3670 Utility Charges	99,340	0	0	0
3740 Reimbursements	425,000	0	0	0
3790 Miscellaneous Other Revenue	3,754	576	0	0
3822 Op Trfs in from General Gov't Fund.....	0	134,151	0	0
TOTAL (280)	1,086,298	392,103	239,000	243,000
HOUSING AUTHORITY (295)				
3430 Investment Interest	99,592	149,363	115,000	143,000
3600 General Government Service Charges	139,757	144,542	70,000	149,000
3770 Sale of Property, Plant, & Equipment	1	0	0	0
TOTAL (295)	239,350	293,905	185,000	292,000
STREET FUND (310)				
3430 Investment Interest	119,319	112,817	98,000	73,000
3790 Miscellaneous Other Revenue	0	136,854	0	0
3831 Appn Transfers in from General Fund	0	993,464	0	0
TOTAL (310)	119,319	1,243,135	98,000	73,000

Revenues by Fund (Detail)

	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
STREET CIP (311)				
3560 State Contributions	0	108,083	0	500,000
3570 County Contributions	353,188	(89,370)	0	1,403,431
3710 Development	100,161	0	0	(27,913)
3802 Op Trfs in from Gas Tax Fund	2,000,000	1,775,000	4,395,000	1,596,569
3810 Op Trfs in from Park Improvement	0	50,000	0	0
3815 Op Trfs in from Sewer Fund	100,000	100,000	0	0
3819 Op Trfs in from Other	0	0	1,489,415	1,400,000
3822 Op Trfs in from General Gov't Fund	1,291,917	0	0	0
3824 Op Trfs in Transit Area Fund	0	1,400,000	245,000	0
3826 Op Trfs in from Measure I TOT Fund	1,600,000	0	0	0
3849 Other Appn Transfers In	0	750,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	500,000	1,650,000	500,000	0
TOTAL (311)	5,945,266	5,743,713	6,629,415	4,872,087
TRAFFIC IMPACT FEE (312)				
3430 Investment Interest	2,573	4,309	27,000	36,000
3710 Development	9,239	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	50,000	0	0	0
TOTAL (312)	61,812	4,309	27,000	36,000
VEHICLE REGISTRATION FEE (314)				
3430 Investment Interest	2,874	4,841	0	0
3570 County Contributions	463,140	461,101	460,000	0
3809 Op Trfs in Street Improv Fund	0	60,499	0	0
3829 Op Trfs in from Vehicle Registration Fee	7,998	0	0	0
TOTAL (314)	474,012	526,441	460,000	0
CALAVERAS WIDENING IMPACT FEE (315)				
3430 Investment Interest	8,058	23,701	0	0
3710 Development	255,683	550,578	0	0
TOTAL (315)	263,741	574,279	0	0
MONTAGUE WIDENING IMPACT FEE (316)				
3430 Investment Interest	4,630	6,797	0	0
TOTAL (316)	4,630	6,797	0	0
MILPITAS BUSINESS PARK IMPACT FEE (317)				
3430 Investment Interest	9,564	4,824	11,000	0
TOTAL (317)	9,564	4,824	11,000	0

Revenues by Fund (Detail)

	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
PARK IMPROVEMENT FUND (320)				
3430 Investment Interest	158,500	389,945	199,000	384,000
3822 Op Trfs in from General Gov't Fund.....	107,395	0	0	0
3824 Op Trfs in Transit Area Fund	0	150,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,100,000	649,000
TOTAL (320)	265,895	539,945	1,299,000	1,033,000
PARK IMPROVEMENT CIP (321)				
3815 Op Trfs in from Sewer Fund	500,000	0	0	0
3822 Op Trfs in from General Gov't Fund.....	1,525,000	2,285,000	1,250,000	0
3824 Op Trfs in Transit Area Fund	3,250,000	6,425,000	300,000	0
3831 Appn Transfers in from General Fund	0	800,000	0	0
3852 Appn Transfers in from General Gov't	0	2,800,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	6,800,000	2,237,042	1,400,000	0
TOTAL (321)	12,075,000	14,547,042	2,950,000	0
MIDTOWN PARK FUND (322)				
3430 Investment Interest	15,686	37,698	35,000	29,000
3710 Development	0	0	1,520,363	1,400,000
3899 Op Trfs in from Subsidiary CIP Fund	0	1,460,205	0	0
TOTAL (320)	15,686	1,497,903	1,555,363	1,429,000
GENERAL GOVERNMENT (330)				
3430 Investment Interest	315,558	461,745	352,000	511,000
3801 Op Trfs in from General Fund	0	2,650,000	0	0
3809 Op Trfs in Street Improv Fund	0	0	0	200,000
3810 Op Trfs in from Park Improvement	0	15,405	0	0
3822 Op Trfs in General Government	0	0	0	1,500,000
3823 Op Trfs in Storm Drain Fund	47,420	0	1,000,000	1,580,000
3831 Appn Transfers in from General Fund	0	8,171,174	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	3,400,000	4,500,387
3982 Capital Leases	0	952,245	0	0
TOTAL (330)	362,978	12,250,569	4,752,000	8,291,387
GENERAL GOVERNMENT CIP (331)				
3580 Other Restricted Grants	0	0	29,000	0
3710 Development	0	0	(500,000)	0
3801 Op Trfs in from General Fund	0	0	4,000,000	0
3802 Op Trfs in from Gas Tax Fund	0	0	800,000	395,090
3809 Op Trfs in Street Improv Fund	0	0	0	1,200,000
3810 Op Trfs in from Park Improvement	0	75,000	0	750,000
3815 Op Trfs in from Sewer Fund	103,200	0	0	129,910
3817 Op Trfs in from Equipment Replacement.....	2,060,000	0	0	0
3819 Op Trfs in from Other	400,000	200,000	2,075,000	1,350,000
3827 Op Trfs in from LLMD Fund	100,000	95,000	108,000	97,500

Revenues by Fund (Detail)

	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
3847 Appn Transfers in from Equipment	200,000	98,000	0	0
3849 Other Appn Transfers In	0	250,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	10,605,216	8,197,245	8,875,000	15,110,000
TOTAL (331)	13,468,416	8,915,245	15,387,000	19,032,500
2020 FIRE STATION BONDS (334)				
3970 Bond Proceeds	0	0	0	13,000,000
TOTAL (331)	0	0	0	13,000,000
STORM DRAIN DEVELOPMENT (340)				
3430 Investment Interest	87,098	146,843	108,000	125,000
3710 Development	376,756	1,017,027	450,000	610,000
3831 Appn Transfers in from General Fund	0	0	500,000	0
3899 Op Trfs in from Subsidiary CIP Fund	0	217,000	0	75,000
TOTAL (340)	463,854	1,380,870	1,058,000	810,000
STORM DRAIN CIP (341)				
3815 Op Trfs in from Sewer Fund	0	15,000	0	0
3822 Op Trfs in from General Gov't Fund	400,000	0	250,000	0
3852 Appn Transfers in General Government	0	250,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	1,115,000	345,000	1,505,000	1,170,000
TOTAL (341)	1,515,000	610,000	1,755,000	1,170,000
TRANSIT AREA IMPACT FEE FUND (350)				
3430 Investment Interest	483,542	1,003,508	702,000	1,016,000
3710 Development	27,620,399	38,984,248	16,484,057	5,200,000
3812 Op Trfs in from Water Fund	0	480,643	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	2,700,000	0
TOTAL (350)	28,103,941	40,468,399	19,886,057	6,216,000
TRANSIT AREA IMPACT FEE CIP FUND (351)				
3570 County Contributions	1,102,638	0	0	(9,000)
3710 Development	202,560	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	8,100,000	13,777,907	11,600,000	2,975,000
TOTAL (351)	9,405,198	13,777,907	11,600,000	2,966,000
WATER M & O FUND (400)				
3430 Investment Interest	339,612	568,961	449,000	473,000
3550 Federal Contributions	498	4,998	0	0
3580 Other Restricted Grants	123,799	108,899	0	0
3620 Public Works Service Charges	4,239	0	0	0
3670 Utility Charges	24,720,218	24,664,456	29,490,848	31,192,091
3790 Miscellaneous Other Revenue	131,134	38,220	130,000	250,000
3981 Contributions-Proprietary Fund	195,894	599,610	0	0
3809 Op Trfs in from Street Fund	0	13,444	0	0
3899 Op Trfs in from Subsidiary CIP Fund	200,000	0	0	150,000
TOTAL (400)	25,715,394	25,998,588	30,069,848	32,065,091

Revenues by Fund (Detail)

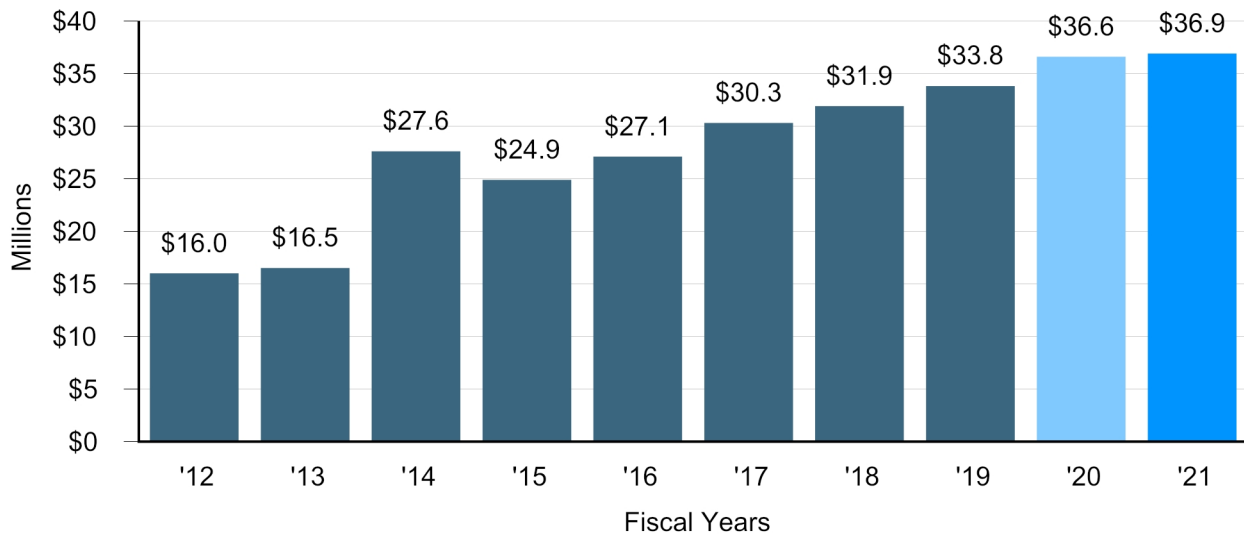
	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
WATER CIP (401)				
3810 Op Trfs in from Park Improvement	200,000	0	0	0
3824 Op Trfs in Transit Area Fund	2,075,000	2,330,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	8,745,000	3,248,800	11,674,260	11,605,000
TOTAL (401)	11,020,000	5,578,800	11,674,260	11,605,000
WATER LINE EXTENSION FUND (402)				
3430 Investment Interest	24,158	32,416	23,000	43,000
3710 Development	1,042,356	928,510	1,000,000	1,540,000
3790 Miscellaneous Other Revenue	9,621	9,621	9,000	9,000
3812 Op Trfs in from Water Fund	7,952	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	1,200,000	0	0	0
TOTAL (402)	2,284,087	970,547	1,032,000	1,592,000
2019 WATER BONDS (403)				
3970 Bond Proceeds	0	0	25,000,000	0
TOTAL (403)	0	0	25,000,000	0
WATER INFRASTRUCTURE REPLACEMENT (405)				
3430 Investment Interest	36,792	93,244	67,000	178,000
3670 Utility Charges	4,794,202	4,643,162	4,138,419	4,194,462
3899 Op Trfs in from Subsidiary CIP Fund	0	357,934	3,750,000	20,000
TOTAL (405)	4,830,994	5,094,340	7,955,419	4,392,462
SEWER M & O FUND (450)				
3430 Investment Interest	316,817	343,584	375,000	202,000
3435 Gain/Loss on Investments	0	70,856	0	0
3670 Utility Charges	17,052,188	17,521,841	19,132,127	20,691,985
3550 Federal Contributions	545	4,998	0	0
3580 Other Restricted Grants	200	0	0	0
3790 Miscellaneous Other Revenue	60,158	11,508	60,000	0
3809 Op Trfs in from Street Fund	0	13,444	100,000	0
3899 Op Trfs in from Subsidiary CIP Fund	0	1,706,677	0	74,000
TOTAL (450)	17,429,908	19,672,908	19,667,127	20,967,985
SEWER CIP (451)				
3899 Op Trfs in from Subsidiary CIP Fund	11,305,000	4,400,000	28,540,050	9,045,195
TOTAL (451)	11,305,000	4,400,000	28,540,050	9,045,195
TREATMENT PLANT CONSTRUCTION (452)				
3430 Investment Interest	85,103	118,660	104,000	107,000
3710 Development	1,490,259	1,447,915	1,000,000	2,550,000
TOTAL (452)	1,575,362	1,566,575	1,104,000	2,657,000
2017 SEWER REFUNDING BONDS (453)				
3430 Investment Interest	120	62	0	0
TOTAL (453)	120	62	0	0

Revenues by Fund (Detail)	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
2019 SEWER BONDS (454)				
3970 Bond Proceeds	0	0	35,000,000	0
TOTAL (454)	0	0	35,000,000	0
SEWER INFRASTRUCTURE REPLACEMENT (455)				
3430 Investment Interest	30,853	174,607	35,000	281,000
3899 Intrafund Trf In-Parent/Child	0	14,500,000	0	235,000
TOTAL (455)	30,853	14,674,607	35,000	516,000
EQUIPMENT REPLACEMENT FUND (500)				
3430 Investment Interest	113,427	166,280	133,000	160,000
3610 Engineering Service Charges	800	1,200	0	0
3620 Public Works Service Charges	0	2,839,552	0	3,320,502
3670 Utility Charges	2,684,375	0	3,422,578	0
3770 Sale of Property, Plant and Equipment.....	4,191	2,256	0	0
3790 Miscellaneous Other Revenue	77,268	50	0	0
3981 Contributions-Proprietary Fund	2,509,847	2,796,466	0	0
3822 Op Trfs in from General Gov't Fund.....	0	0	0	0
TOTAL (500)	5,389,908	5,805,804	3,555,578	3,480,502
INFORMATION TECHNOLOGY REPLACEMENT (505)				
3430 Investment Interest	3,352	6,175	3,000	10,000
3801 Op Trfs in from General Fund	300,000	300,000	300,000	300,000
TOTAL (505)	303,352	306,175	303,000	310,000
PERMIT AUTOMATION FUND (506)				
3430 Investment Interest	27,309	52,004	37,000	45,000
3601 General Government Service Charges	971,268	1,352,425	1,500,000	0
TOTAL (506)	998,577	1,404,429	1,537,000	45,000
TOTAL REVENUES	\$ 266,731,348	\$ 311,280,550	\$ 361,586,266	\$ 269,325,364
Less Interfund Operating Transfers*			(78,264,310)	(51,138,582)
(Increase) Decrease of Reserves			(35,462,445)	2,244,378
TOTAL BUDGET SUMMARY REVENUES			\$ 247,859,511	\$ 220,431,160

* Interfund Operating Transfers are transfers within the same fund group on the Budget Summary

General Fund Revenue History

History of Property Tax Revenue



Amounts include RPTTF distribution

Actual

Amended Budget (2/28/2020)

Proposed Budget

History of Transient Occupancy Tax Revenue



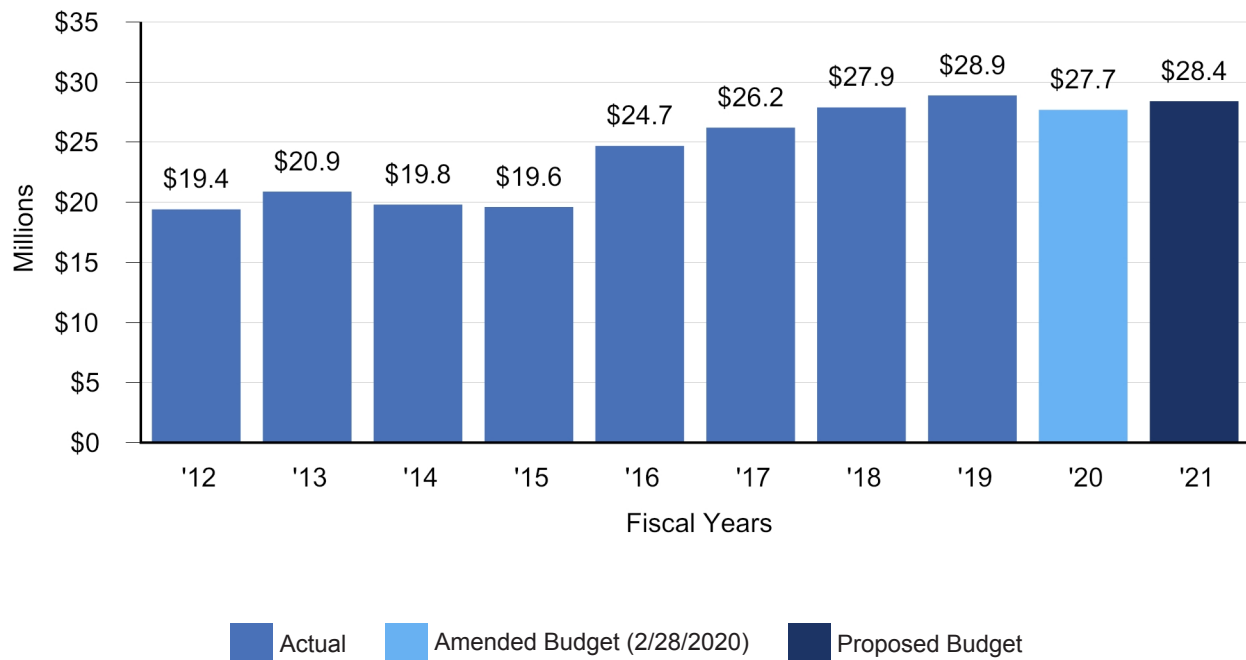
TOT rate increased from 10% to 14% effective January 1, 2019.

Actual

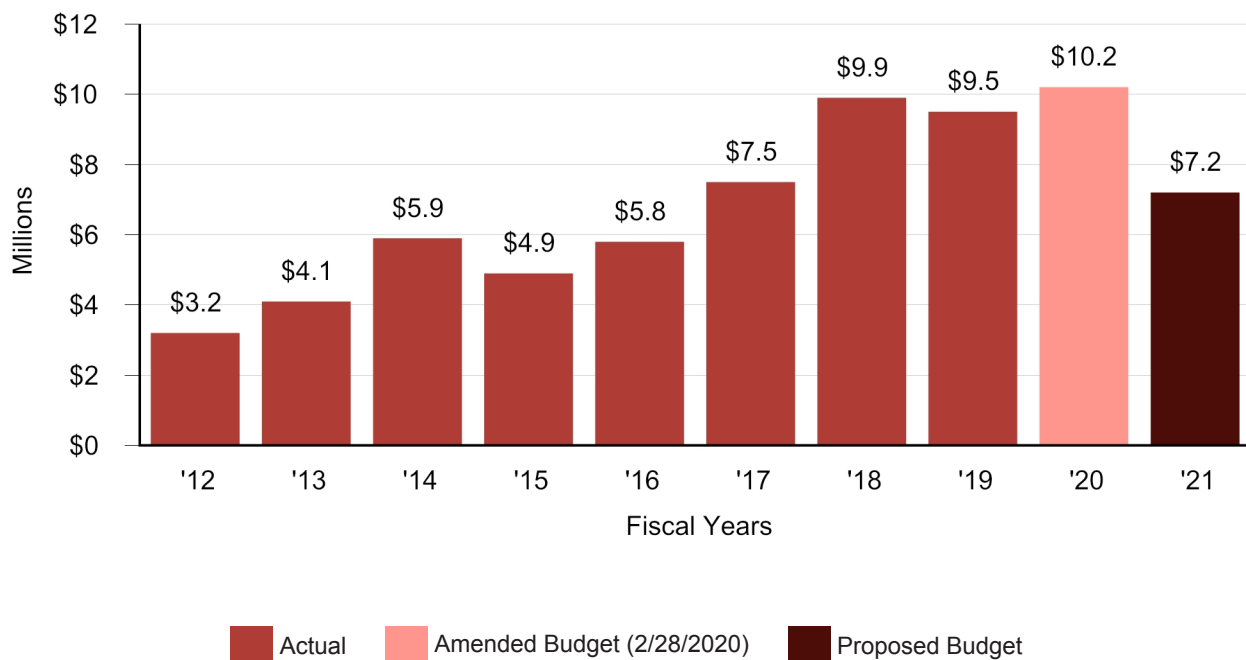
Amended Budget (2/28/2020)

Proposed Budget

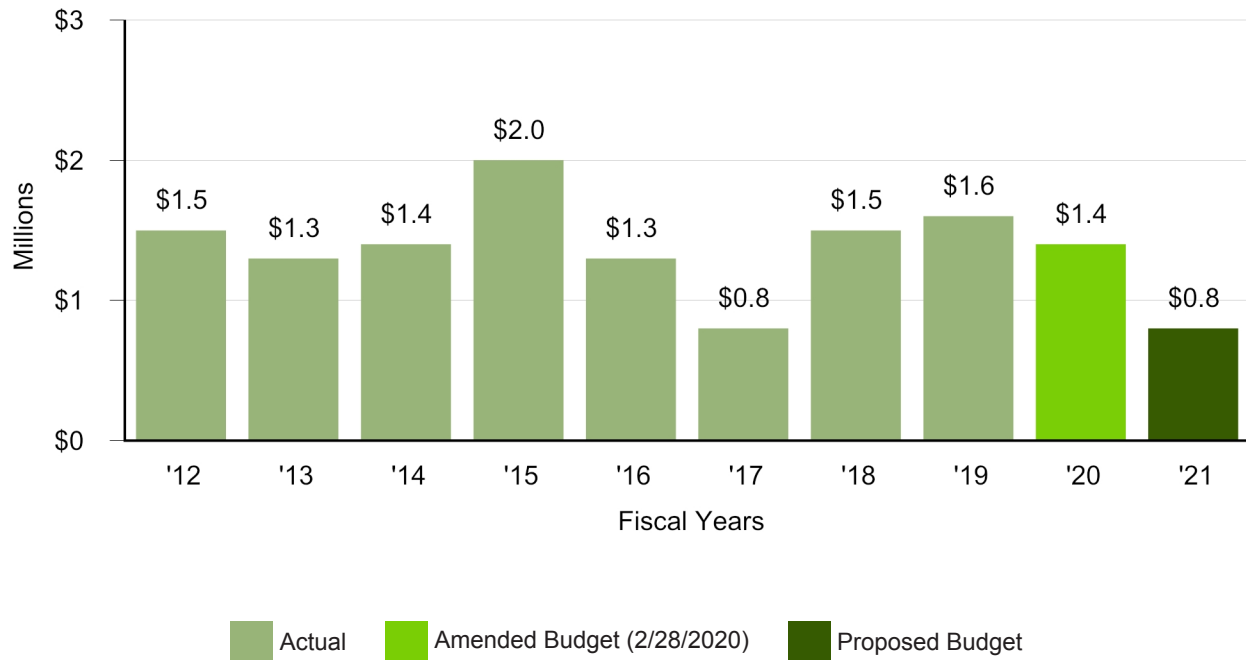
History of Sales Tax Revenue



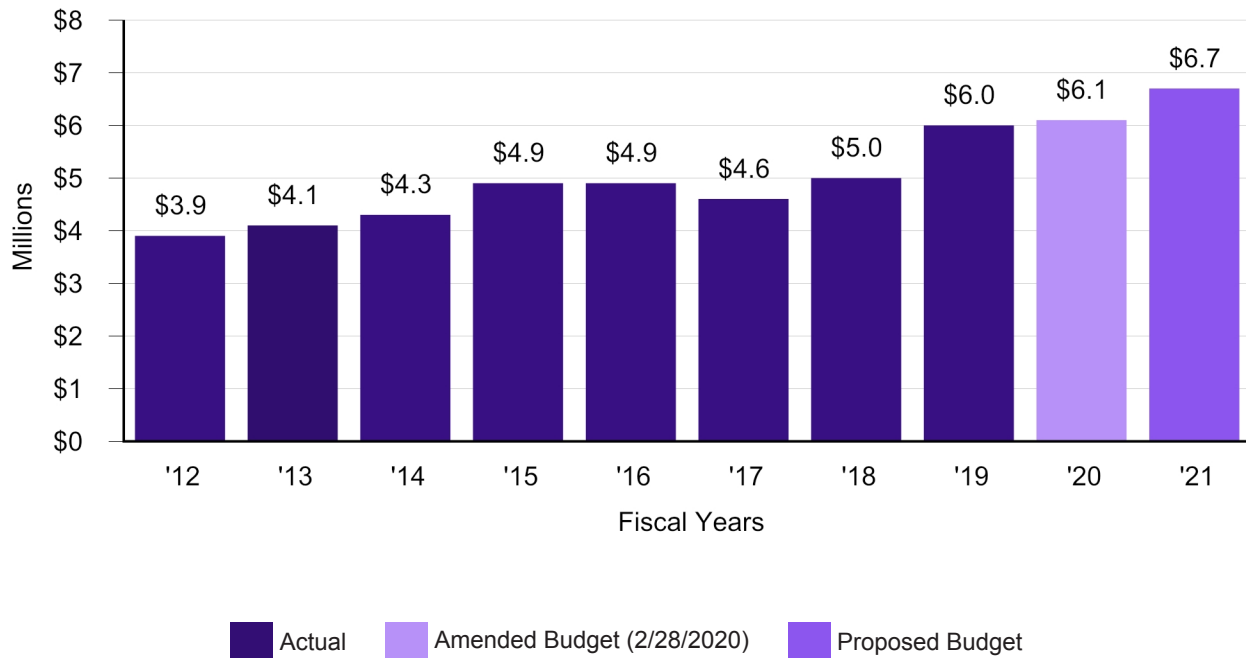
History of Building Permit Revenue



History of Intergovernmental Revenue



History of "Other" Tax Revenue



Expenditures by Fund

	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
100 General Fund	\$84,505,737	\$107,251,066	\$121,341,527	\$116,831,532
103 1452-1474 S. Main	35,597	37,490	24,000	44,000
105 Abandon Veh Abatement	97,547	108,396	22,500	10,000
109 Utility Rate Assistance	0	0	256,700	256,700
150 Redevelopment Administration	65,022	50,054	32,259	21,406
211 H-Hetch Ground Lease	32,939	34,110	35,000	36,000
213 Public Art Fund-Nonrestricted	1,562	1,623	102,500	97,500
214 Community Planning Fee Fund	200,000	250,000	758,250	911,849
215 Community Benefit Fund	0	250,000	250,000	0
216 Affordable Hsng Community Benf.....	250,000	0	0	706,608
221 Gas Tax Fund	2,000,000	1,775,000	5,195,000	1,991,659
222 Measure B	0	0	1,489,415	0
225 SB1 Road Maintenance & Rehab	0	0	0	1,400,000
235 95-1 Lighting/Lscape Dist	377,524	329,459	427,957	360,157
236 98-1 Lighting/Lscape Dist	34,381	66,939	72,653	43,998
237 05 Community Fclty Dist	832,684	778,764	1,157,175	1,326,773
238 08 Community Fclty Dist	913,474	938,898	1,654,000	2,674,000
250 HCD Fund	374,063	657,729	715,734	615,734
251 HCD Loan	0	(3,510)	0	0
261 Supplemental Law Enforcement	173,378	97,310	0	0
262 State Asset Seizure	0	0	30,000	30,000
263 Federal Asset Seizure	0	0	30,000	30,000
267 Justice Assistance Grant	65,401	36,841	0	0
268 Justice Assistance Grant 2009	13,190	9,884	0	0
269 Grant Fund	14,244	63,813	0	0
280 Solid Waste Services	840,002	431,913	856,093	997,475
295 Housing Authority	13,027,364	560,061	1,549,674	742,200
310 Street Fund	230,773	1,867,288	0	1,200,000
311 Street CIP	6,302,162	9,683,865	6,629,415	4,872,087
314 Vehicle Registration Fee	500,000	500,000	500,000	0
320 Park Improvement Fund	4,725,000	3,238,110	0	750,000
321 Park Improvement CIP	2,785,649	1,985,760	2,950,000	0
322 Midtown Park Fund	2,275,000	599,542	1,475,000	300,000
330 General Government	14,091,392	13,868,617	10,375,000	2,110,000
331 General Government CIP	5,090,341	5,751,218	11,548,986	19,032,500

Expenditures by Fund

	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
334 2020 Fire Station Bonds	0	0	0	13,000,000
340 Storm Drain Development	1,162,420	345,000	1,505,000	1,170,000
341 Storm Drain CIP	144,891	520,131	1,755,000	1,170,000
350 Transit Area Impact Fee Fund	15,760,104	24,064,710	12,220,000	3,050,000
351 Transit Area Impact Fee CIP Fund.....	8,436,085	8,163,181	11,600,000	2,966,000
400 Water M & O Fund	21,906,618	25,780,573	28,377,912	27,892,549
401 Water CIP	3,777,897	1,409,418	11,674,260	11,605,000
402 Water Line Extension Fund	4,645,000	397,100	200,000	228,000
403 2019 Water Bonds	0	0	7,400,000	8,500,000
405 Water Infrastructure Replmnt	4,100,000	2,851,700	4,299,485	3,922,650
450 Sewer M & O Fund	18,279,420	25,730,659	15,567,565	18,035,698
451 Sewer CIP	10,487,564	9,420,218	28,540,050	9,045,195
452 Treatment Plant Construction	3,250,000	2,000,000	1,200,000	200,000
454 2019 Wastewater Bonds	0	0	25,190,050	8,247,195
455 Sewer Infrastrture Repmnt	200,000	400,000	850,000	653,910
500 Equipment Mgnt Fund	4,343,214	2,637,316	3,094,603	2,799,147
505 Information Tec Replmt	92,173	278,467	300,000	300,000
506 Permit Automation Fund	932,788	694,969	2,871,058	1,392,220
TOTAL	\$ 237,372,600	\$ 255,913,682	\$ 326,123,821	\$ 271,569,742
Less Interfund Operating Transfers*			(78,264,310)	(51,138,582)
TOTAL BUDGET SUMMARY EXPENDITURES			\$ 247,859,511	\$ 220,431,160

* Interfund Operating Transfers are transfers within the same fund group on the Budget Summary

Expenditures by Fund (Detail)

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
GENERAL FUND (100)							
City Council	\$341,484	\$205,495	\$0	\$0	\$0	\$0	\$546,979
City Manager	2,126,553	310,200	0	0	0	0	2,436,753
City Clerk	575,270	40,000	0	0	0	0	615,270
Economic Development....	764,903	149,215	0	0	0	0	914,118
City Attorney	174,702	1,165,600	0	0	0	0	1,340,302
Building Inspection	2,851,719	52,505	0	0	0	0	2,904,224
Building Safety and Housing Administration	746,517	11,000	0	0	0	0	757,517
Housing and Neighborhood Svcs	677,026	572,069	0	0	0	0	1,249,095
Permit Center	557,058	12,000	0	0	0	0	569,058
Plan Review	1,456,364	12,600	0	0	0	0	1,468,964
Design & Construction	1,380,563	8,874	0	0	0	0	1,389,437
Engineering Administration	357,762	30,459	0	0	0	0	388,221
Land Development	1,605,761	247,200	0	0	0	0	1,852,961
Traffic Engineering	407,502	116,698	0	0	0	0	524,200
Finance Administration	1,738,540	320,636	0	0	0	0	2,059,176
Finance Operations	1,887,395	59,600	0	0	0	0	1,946,995
Fiscal Services-Utilities	251,615	98,800	0	0	0	0	350,415
EMS Transport Services ...	0	68,627	0	0	0	0	68,627
Fire Administration	1,985,306	78,347	0	0	0	0	2,063,653
Fire Prevention	2,763,986	24,800	0	0	0	0	2,788,786
Fire Prevention Administration	1,365,036	62,718	0	0	0	0	1,427,754
Office of Emergency Management	207,386	39,500	0	0	0	0	246,886
Operations Division	19,138,058	2,481,528	65,000	0	0	0	21,684,586
Human Resources	1,407,806	693,851	0	0	0	0	2,101,657
Information Technology	2,376,505	1,345,042	0	0	0	0	3,721,547
Long Range Planning	34,547	0	0	0	0	0	34,547
Planning	1,847,636	49,200	0	0	0	0	1,896,836
Communications	4,049,993	269,276	0	0	0	0	4,319,269
Community Relations	700,571	17,875	0	0	0	0	718,446
Crossing Guards	511,444	2,000	0	0	0	0	513,444
Investigations	4,364,787	472,183	0	0	0	0	4,836,970
Patrol Services	20,833,900	703,100	0	0	0	0	21,537,000
Personnel & Training	376,262	217,996	0	0	0	0	594,258
Police Administration	1,843,199	16,547	0	0	0	0	1,859,746
Records	1,659,290	227,926	0	0	0	0	1,887,216
Traffic	1,972,599	58,072	0	0	0	0	2,030,671
Compliance	61,724	284,628	0	0	0	0	346,352

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
Facilities Maintenance	1,762,213	1,043,394	0	0	0	0	2,805,607
Park Maintenance	40,000	1,303,506	0	0	0	0	1,343,506
Public Works Administration	722,403	65,000	0	0	0	0	787,403
Solid Waste Services	8,000	56,000	0	0	0	0	64,000
Street Maintenance	1,263,505	453,270	0	0	0	0	1,716,775
Trees & Landscape Mnt...	651,919	541,107	0	0	0	0	1,193,026
Utility Maintenance	771,337	154,703	0	0	0	0	926,040
Aquatics	383,259	11,300	0	0	0	0	394,559
General Classes	97,301	366,599	0	0	0	0	463,900
Marketing	176,891	77,200	0	0	0	0	254,091
Performing Arts	0	84,900	0	0	0	0	84,900
Recreation Administration.	1,881,144	135,689	0	0	0	0	2,016,833
Senior Citizen Services.....	698,314	216,738	0	0	0	0	915,052
Special Events	262,274	300,520	0	0	0	0	562,794
Sports & Fitness	635,213	52,127	0	0	0	0	687,340
Youth Programs	845,687	154,100	0	0	0	0	999,787
Equipment to be Depreciated	0	0	183,384	0	0	0	183,384
Non-Departmental	(1,098,872)	6,239,471	0	0	0	0	5,140,599
Transfers Out	0	0	0	0	0	300,000	300,000
sub-total (100)	94,501,357	21,781,791	248,384	0	0	300,000	116,831,532
1452-1474 S. MAIN (103)							
1452 S. Main Street Properties	0	44,000	0	0	0	0	44,000
sub-total (103)	0	44,000	0	0	0	0	44,000
ABANDON VEHICLE ABATEMENT (105)							
Traffic	10,000	0	0	0	0	0	10,000
sub-total (105)	10,000	0	0	0	0	0	10,000
UTILITY RATE ASSISTANCE (109)							
Non-Departmental	0	256,700	0	0	0	0	256,700
sub-total (109)	0	256,700	0	0	0	0	256,700
REDEVELOPMENT ADMINISTRATION (150)							
Finance Administration	8,298	0	0	0	0	0	8,298
Finance Operations	12,751	0	0	0	0	0	12,751
Fiscal Services-Utilities	357	0	0	0	0	0	357
sub-total (150)	21,406	0	0	0	0	0	21,406
HETCH HETCHY GROUND LEASE (211)							
Non-Departmental	0	36,000	0	0	0	0	36,000
sub-total (211)	0	36,000	0	0	0	0	36,000

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
PUBLIC ART FUND-NONRESTRICTED (213)							
Non-Departmental	0	97,500	0	0	0	0	97,500
sub-total (213)	0	97,500	0	0	0	0	97,500
COMMUNITY PLANNING FEE FUND (214)							
Long Range Planning	195,765	0	0	0	0	0	195,765
Planning	116,084	0	0	0	0	0	116,084
Transfers Out	0	0	0	0	0	600,000	600,000
sub-total (214)	311,849	0	0	0	0	600,000	911,849
AFFORDABLE HOUSING FUND (216)							
City Manager	33,664	0	0	0	0	0	33,664
Building Safety and Housing Administration	107,888	0	0	0	0	0	107,888
Housing and Neighborhood Svcs	471,754	0	0	0	0	0	471,754
Finance Operations	93,302	0	0	0	0	0	93,302
sub-total (216)	706,608	0	0	0	0	0	706,608
GAS TAX FUND (221)							
Transfers Out	0	0	0	0	0	1,991,659	1,991,659
sub-total (221)	0	0	0	0	0	1,991,659	1,991,659
SB1 ROAD MAINT & REHAB (225)							
Transfers Out	0	0	0	0	0	1,400,000	1,400,000
sub-total (225)	0	0	0	0	0	1,400,000	1,400,000
95-1 LIGHTING/LSCAPE DIST (235)							
Land Development	250	81,050	0	0	0	0	81,300
Public Works Administration	6,218	0	0	0	0	0	6,218
Street Maintenance	34,775	0	0	0	0	0	34,775
Trees & Landscape Mnt....	107,624	45,240	0	0	0	0	152,864
Transfers Out	0	0	0	0	0	85,000	85,000
sub-total (235)	148,867	126,290	0	0	0	85,000	360,157
98-1 LIGHTING/LSCAPE DIST (236)							
Land Development	250	4,400	0	0	0	0	4,650
Street Maintenance	426	0	0	0	0	0	426
Trees & Landscape Mnt....	8,726	17,696	0	0	0	0	26,422
Transfers Out	0	0	0	0	0	12,500	12,500
sub-total (236)	9,402	22,096	0	0	0	12,500	43,998

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
05 COMMUNITY FCLTY DIST (237)							
Park Maintenance	0	286,832	0	0	0	0	286,832
Public Works Administration	107,428	0	0	0	0	0	107,428
Street Maintenance	304,709	0	0	0	0	0	304,709
Trees & Landscape Mnt....	541,230	80,074	0	0	0	0	621,304
Non-Departmental	0	6,500	0	0	0	0	6,500
sub-total (237)	953,367	373,406	0	0	0	0	1,326,773
08 COMMUNITY FCLTY DIST (238)							
Park Maintenance	0	50,000	0	0	0	0	50,000
Non-Departmental	0	4,000	0	0	0	0	4,000
Transfers Out	0	0	0	0	0	2,620,000	2,620,000
sub-total (238)	0	54,000	0	0	0	2,620,000	2,674,000
HCD FUND (250)							
Housing and Neighborhood Services	0	608,734	0	0	0	0	608,734
Non-Departmental	0	7,000	0	0	0	0	7,000
sub-total (250)	0	615,734	0	0	0	0	615,734
STATE-ASSET SEIZURE (262)							
Investigations	0	0	30,000	0	0	0	30,000
sub-total (262)	0	0	30,000	0	0	0	30,000
FEDERAL ASSET SEIZURE (263)							
Investigations	0	0	30,000	0	0	0	30,000
sub-total (263)	0	0	30,000	0	0	0	30,000
SOLID WASTE SERVICES (280)							
Solid Waste	609,097	278,600	0	0	0	0	887,697
Transfers Out	0	0	0	0	0	109,778	109,778
sub-total (280)	609,097	278,600	0	0	0	109,778	997,475
HOUSING AUTHORITY (295)							
Housing and Neighborhood Services	0	635,200	0	0	0	0	635,200
1432 S. Main Street Properties	0	50,000	0	0	0	0	50,000
Non-Departmental	0	57,000	0	0	0	0	57,000
sub-total (295)	0	742,200	0	0	0	0	742,200

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
STREET IMPROVEMENT (310)							
Transfers Out.....	0	0	0	0	0	1,200,000	1,200,000
sub-total (310)	0	0	0	0	0	1,200,000	1,200,000
STREET CIP (311)							
Capital Improvement Projects	0	0	0	0	4,672,087	0	4,672,087
Transfers Out.....	0	0	0	0	0	200,000	200,000
sub-total (311)	0	0	0	0	4,672,087	200,000	4,872,087
PARK IMPROVEMENT FUND (320)							
Transfers Out.....	0	0	0	0	0	750,000	750,000
sub-total (320)	0	0	0	0	0	750,000	750,000
PARK IMPROVEMENT CIP (321)							
Capital Improvement Projects	0	0	0	0	(2,149,000)	0	(2,149,000)
Transfers Out.....	0	0	0	0	0	2,149,000	2,149,000
sub-total (321)	0	0	0	0	(2,149,000)	2,149,000	0
MIDTOWN PARK FUND (322)							
Transfers Out.....	0	0	0	0	0	300,000	300,000
sub-total (322)	0	0	0	0	0	300,000	300,000
GENERAL GOVERNMENT (330)							
Transfers Out.....	0	0	0	0	0	2,110,000	2,110,000
sub-total (330)	0	0	0	0	0	2,110,000	2,110,000
GENERAL GOVERNMENT CIP (331)							
Capital Improvement Projects	0	0	0	0	14,532,113	0	14,532,113
Transfers Out.....	0	0	0	0	0	4,500,387	4,500,387
sub-total (331)	0	0	0	0	14,532,113	4,500,387	19,032,500
2020 FIRE STATION BONDS (334)							
Transfers Out.....	0	0	0	0	0	13,000,000	13,000,000
sub-total (334)	0	0	0	0	0	13,000,000	13,000,000
STORM DRAIN DEVELOPMENT (340)							
Transfers Out.....	0	0	0	0	0	1,170,000	1,170,000
sub-total (340)	0	0	0	0	0	1,170,000	1,170,000

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
STORM DRAIN CIP (341)							
Capital Improvement Projects	0	0	0	0	(485,000)	0	(485,000)
Transfers Out	0	0	0	0	0	1,655,000	1,655,000
sub-total (341)	0	0	0	0	(485,000)	1,655,000	1,170,000
TRANSIT AREA IMPACT FEE FUND (350)							
Debt Service	0	0	0	75,000	0	0	75,000
Transfers Out	0	0	0	0	0	2,975,000	2,975,000
sub-total (350)	0	0	0	75,000	0	2,975,000	3,050,000
TRANSIT AREA IMPACT FEE CIP FUND (351)							
Capital Improvement Projects	0	0	0	0	2,966,000	0	2,966,000
sub-total (351)	0	0	0	0	2,966,000	0	2,966,000
WATER M & O FUND (400)							
Land Development	0	67,000	0	0	0	0	67,000
Finance Operations	50,361	0	0	0	0	0	50,361
Fiscal Services-Utilities	744,172	237,175	0	0	0	0	981,347
Compliance	177,251	55,520	0	0	0	0	232,771
Public Works Administration	657,790	197,285	0	0	0	0	855,075
Utility Engineering	573,114	236,050	0	0	0	0	809,164
Utility Maintenance	1,501,504	604,656	540,000	0	0	0	2,646,160
Non-Departmental	85,455	19,416,437	0	0	0	0	19,501,892
Transfers Out	0	0	0	0	0	2,748,779	2,748,779
sub-total (400)	3,789,647	20,814,123	540,000	0	0	2,748,779	27,892,549
WATER CIP (401)							
Capital Improvement Projects	0	0	0	0	11,435,000	0	11,435,000
Transfers Out	0	0	0	0	0	170,000	170,000
sub-total (401)	0	0	0	0	11,435,000	170,000	11,605,000
WATER LINE EXTENSION FUND (402)							
Transfers Out	0	0	0	0	0	228,000	228,000
sub-total (402)	0	0	0	0	0	228,000	228,000
2019 WATER BONDS (403)							
Transfers Out	0	0	0	0	0	8,500,000	8,500,000
sub-total (403)	0	0	0	0	0	8,500,000	8,500,000

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
WATER INFRASTRUCTURE REPLACEMENT (405)							
Debt Service	0	0	0	1,045,650	0	0	1,045,650
Transfers Out	0	0	0	0	0	2,877,000	2,877,000
sub-total (405)	0	0	0	1,045,650	0	2,877,000	3,922,650
SEWER M & O FUND (450)							
Land Development	0	67,000	0	0	0	0	67,000
Finance Operations	51,722	0	0	0	0	0	51,722
Fiscal Services-Utilities	402,979	164,105	0	0	0	0	567,084
Compliance	115,526	68,920	0	0	0	0	184,446
Public Works Administration	535,589	34,555	0	0	0	0	570,144
Utility Engineering	432,309	142,300	0	0	0	0	574,609
Utility Maintenance	1,086,506	348,557	200,000	0	0	0	1,635,063
Debt Service	0	0	0	2,447,400	0	0	2,447,400
Non-Departmental	86,939	10,191,858	0	0	0	0	10,278,797
Transfers Out	0	0	0	0	0	1,659,433	1,659,433
sub-total (450)	2,711,570	11,017,295	200,000	2,447,400	0	1,659,433	18,035,698
SEWER CIP (451)							
Capital Improvement Projects	0	0	0	0	8,736,195	0	8,736,195
Transfers Out	0	0	0	0	0	309,000	309,000
sub-total (451)	0	0	0	0	8,736,195	309,000	9,045,195
TREATMENT PLANT CONSTRUCTION (452)							
Transfers Out	0	0	0	0	0	200,000	200,000
sub-total (452)	0	0	0	0	0	200,000	200,000
2019 WASTEWATER BONDS (454)							
Transfers Out	0	0	0	0	0	8,247,195	8,247,195
sub-total (454)	0	0	0	0	0	8,247,195	8,247,195
SEWER INFRASTRUCTURE REPLACEMENT (455)							
Transfers Out	0	0	0	0	0	653,910	653,910
sub-total (455)	0	0	0	0	0	653,910	653,910

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
EQUIPMENT MGNT FUND (500)							
Compliance	0	10,000	0	0	0	0	10,000
Fleet Maintenance	876,064	943,468	0	0	0	0	1,819,532
Public Works Administration	183,668	0	0	0	0	0	183,668
Equipment to be Depreciated	0	0	690,947	0	0	0	690,947
Non-Departmental	0	95,000	0	0	0	0	95,000
sub-total (500)	1,059,732	1,048,468	690,947	0	0	0	2,799,147
INFORMATION TECH REPLMT (505)							
Information Technology.....	0	0	300,000	0	0	0	300,000
sub-total (505)	0	0	300,000	0	0	0	300,000
PERMIT AUTOMATION FUND (506)							
Permit Center	200,071	90,000	0	0	0	0	290,071
Plan Review	193,655	0	0	0	0	0	193,655
Fire Prevention Administration	0	16,000	0	0	0	0	16,000
Information Technology.....	339,994	152,500	0	0	0	0	492,494
Transfers Out.....	0	0	0	0	0	400,000	400,000
sub-total (506)	733,720	258,500	0	0	0	400,000	1,392,220
TOTAL EXPENDITURES	105,566,622	57,566,703	2,039,331	3,568,050	39,707,395	63,121,641	271,569,742
Less Interfund Operating Transfers*	0	0	0	0	0	(51,138,582)	(51,138,582)
TOTAL BUDGET SUMMARY EXPENDITURES	\$105,566,622	\$57,566,703	\$2,039,331	\$3,568,050	\$39,707,395	\$11,983,059	\$220,431,160

* Interfund Operating Transfers are transfers within the same fund group on the Budget Summary

Expenditures by Function

Function	General Fund ⁽¹⁾	Housing Authority	Water Fund ⁽²⁾	Sewer Fund ⁽³⁾	Other Funds ⁽⁴⁾	Total
City Council	\$546,979	\$0	\$0	\$0	\$0	\$546,979
City Manager	2,436,753	0	0	0	33,664	2,470,417
City Clerk	615,270	0	0	0	0	615,270
Economic Development....	914,118	0	0	0	0	914,118
City Attorney	1,340,302	0	0	0	0	1,340,302
Building Inspection	2,904,224	0	0	0	0	2,904,224
Building Safety and Housing Administration.....	757,517	0	0	0	107,888	865,405
Housing and Neighborhood Svcs	1,249,095	635,200	0	0	1,080,488	2,964,783
Permit Center	569,058	0	0	0	290,071	859,129
Plan Review	1,468,964	0	0	0	193,655	1,662,619
Design & Construction	1,389,437	0	0	0	0	1,389,437
Engineering Administration	388,221	0	0	0	0	388,221
Land Development	1,852,961	0	67,000	67,000	85,950	2,072,911
Traffic Engineering	524,200	0	0	0	0	524,200
Finance Administration	2,067,474	0	0	0	0	2,067,474
Finance Operations	1,959,746	0	50,361	51,722	93,302	2,155,131
Fiscal Services-Utilities.....	350,772	0	981,347	567,084	0	1,899,203
EMS Transport Services ...	68,627	0	0	0	0	68,627
Fire Administration	2,063,653	0	0	0	0	2,063,653
Fire Prevention	2,788,786	0	0	0	0	2,788,786
Fire Prevention Administration	1,427,754	0	0	0	16,000	1,443,754
Office of Emergency Management	246,886	0	0	0	0	246,886
Operations Division	21,684,586	0	0	0	0	21,684,586
Human Resources	2,101,657	0	0	0	0	2,101,657
Information Technology.....	3,721,547	0	0	0	792,494	4,514,041
Long Range Planning	34,547	0	0	0	195,765	230,312
Planning	1,896,836	0	0	0	116,084	2,012,920
Communications	4,319,269	0	0	0	0	4,319,269
Community Relations.....	718,446	0	0	0	0	718,446
Crossing Guards	513,444	0	0	0	0	513,444
Investigations	4,836,970	0	0	0	60,000	4,896,970
Patrol Services	21,537,000	0	0	0	0	21,537,000
Personnel & Training	594,258	0	0	0	0	594,258
Police Administration	1,859,746	0	0	0	0	1,859,746
Records	1,887,216	0	0	0	0	1,887,216

Function	General Fund ⁽¹⁾	Housing Authority	Water Fund ⁽²⁾	Sewer Fund ⁽³⁾	Other Funds ⁽⁴⁾	Total
Traffic	2,040,671	0	0	0	0	2,040,671
Compliance	346,352	0	232,771	184,446	10,000	773,569
Facilities Maintenance	2,805,607	0	0	0	0	2,805,607
Fleet Maintenance	0	0	0	0	1,819,532	1,819,532
Park Maintenance	1,343,506	0	0	0	336,832	1,680,338
Public Works Administration	787,403	0	855,075	570,144	297,314	2,509,936
Solid Waste Services	64,000	0	0	0	887,697	951,697
Street Maintenance	1,716,775	0	0	0	339,910	2,056,685
Trees & Landscape Mnt... ..	1,193,026	0	0	0	800,590	1,993,616
Utility Engineering	0	0	809,164	574,609	0	1,383,773
Utility Maintenance	926,040	0	2,646,160	1,635,063	0	5,207,263
Aquatics	394,559	0	0	0	0	394,559
General Classes	463,900	0	0	0	0	463,900
Marketing	254,091	0	0	0	0	254,091
Performing Arts	84,900	0	0	0	0	84,900
Recreation Administration ..	2,016,833	0	0	0	0	2,016,833
Senior Citizen Services	915,052	0	0	0	0	915,052
Special Events	562,794	0	0	0	0	562,794
Sports & Fitness	687,340	0	0	0	0	687,340
Youth Programs	999,787	0	0	0	0	999,787
1432 S. Main Street Properties	0	50,000	0	0	0	50,000
1452 S. Main Street Properties	44,000	0	0	0	0	44,000
Debt Service	0	0	1,045,650	2,447,400	75,000	3,568,050
Equipment to be Depreciated	183,384	0	0	0	690,947	874,331
Non-Departmental	5,397,299	57,000	19,501,892	10,278,797	246,000	35,480,988
Capital Improvement Projects	0	0	11,435,000	8,736,195	19,536,200	39,707,395
Transfers Out*	300,000	0	2,748,779	1,715,343	7,218,937	11,983,059
TOTAL	\$ 117,163,638	\$ 742,200	\$ 40,373,199	\$ 26,827,803	\$ 35,324,320	\$ 220,431,160

(1) General Fund Fund, Abandon Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.

(2) Water Fund includes Water Maintenance & Operations Fund, 2019 Water Bonds Fund, Water CIP Fund, Water Line Extension Fund, and Water Infrastructure Replacement Fund.

(3) Sewer Fund includes Sewer Maintenance & Operations Fund, 2019 Sewer Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund, 2017 Sewer Refunding Bonds, and Sewer Infrastructure replacement Fund.

(4) Other Funds include Community Benefit Fund, Community Facility District Funds, Community Planning Fee Fund, Gas Tax Fund, Equipment Replacement Fund, Housing and Community Development Fund, Information Technology Replacement Fund, Law Enforcement Grant Funds, Light & Landscape Maintenance District Funds, Measure B Fund, Permit Automation Fund, Public Art Fund, Solid Waste Services Fund, Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund, and Transit Area Impact Fee Fund.

Internal Cost Allocation

	DIRECT COST			
INDIRECT COSTS	Police	Fire	Building Safety & Housing	Planning
Legislation & Policy	\$32,427	\$33,971	\$10,037	\$84,927
General Administration				
City Manager	592,494	559,606	362,254	191,963
City Clerk	76,195	60,876	15,779	41,603
City Attorney	425,918	239,798	54,753	196,472
Human Resources	776,828	459,342	128,345	94,570
Finance	1,327,803	951,063	238,853	82,472
Information Technology	1,382,142	817,266	228,354	168,261
General Liability, Uncollectable and Audit Fees	415,684	307,427	75,912	21,197
Contingent Reserve	413,102	305,517	75,441	21,066
Facilities Maintenance	697,891	493,623	46,225	56,523
Utilities	702,199	496,671	46,510	56,872
Building Occupancy	413,796	292,681	27,408	33,514
TOTAL INDIRECT COSTS	7,256,479	5,017,841	1,309,871	1,049,440
TOTAL DIRECT COSTS	39,147,023	29,061,912	7,149,052	1,996,259
TOTAL COSTS	\$46,403,502	\$34,079,753	\$8,458,923	\$3,045,699
INDIRECT COST RATE	18.5%	17.3%	18.3%	52.6%

PROGRAMS						
Public Works	Engineering	Recreation	Water	Sewer	Solid Waste	TOTAL
\$12,353	\$229,303	\$79,523	\$34,743	\$10,809	\$2,316	\$530,409
121,135	301,828	261,820	689,803	317,795	26,200	3,424,899
6,879	110,654	56,094	52,769	23,223	2,295	446,367
55,335	80,923	98,411	69,404	62,827	5,784	1,289,626
243,046	114,835	106,392	131,318	106,189	6,755	2,167,620
88,641	154,473	393,855	709,072	361,988	24,482	4,332,701
432,430	204,317	189,293	233,642	188,933	12,019	3,856,656
8,674	45,919	135,676	66,978	46,058	8,420	1,131,944
8,621	45,634	134,833	66,562	45,772	8,367	1,124,914
274,237	85,873	1,137,273	267,203	162,302	5,055	3,226,205
275,930	86,403	1,144,294	268,853	163,304	5,087	3,246,124
162,601	50,916	674,316	158,431	96,233	2,998	1,912,892
1,689,882	1,511,078	4,411,780	2,748,778	1,585,433	109,778	26,690,360
6,803,484	4,324,419	6,790,704	24,654,962	14,111,889	792,909	134,832,613
\$8,493,366	\$5,835,497	\$11,202,484	\$27,403,740	\$15,697,322	\$902,687	\$161,522,973
24.8%	34.9%	65%	11.1%	11.2%	13.8%	19.8%

Operating Transfers Statement

Origin and Purpose of Transfer

Transfer Distribution

From the General Fund	To the Information Technology Replacement for: IT Equipment Replacement	\$300,000
	sub-total	300,000
From the Community Planning Fund	To the General Government CIP for: Comprehensive Zoning Ordinance Update (3460)	600,000
	sub-total	600,000
From the Gas Tax Fund	To the Street CIP for: ADA Curb Ramp Transition Program 2016 (4283) Street Resurfacing Project 2020-21 (4298)	300,000 1,296,569
	sub-total	1,596,569
From the Gas Tax Fund	To the General Government CIP for: Annual Sidewalk, Curb & Gutter Repair (3426) Annual Street Light, and Signage (3440)	140,090 255,000
	sub-total	395,090
From the SB1 RMRA	To the Street CIP for: Street Resurfacing Project 2020-21 (4298)	1,400,000
	sub-total	1,400,000
From the 95-1 Light & Landscape Maint D	To the General Government CIP for: McCarthy BLvd Landscape & lighting (3402)	85,000
	sub-total	85,000
From the 98-1 Light & Landscape Maint D	To the General Government CIP for: Sinclair LLMD Improvements (3411)	12,500
	sub-total	12,500
From the 2008 Community Facility Dist	To the General Fund for: Operating Cost Reimbursement	2,570,000
	sub-total	2,570,000
From the 2008 Community Facility Dist	To the General Government CIP for: On-Call Parks and Landscaping Services (3463)	50,000
	sub-total	50,000

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

Origin and Purpose of Transfer

Transfer
Distribution

From the Solid Waste Services Fund	To the General Fund for:		
	Operating Cost Reimbursement		109,778
	sub-total		109,778
From the Street Improvement Fund *	To the General Government CIP for:		
	Radar Speed Feedback Signage (3458)		200,000
	Pilot Street Sweeping Program (3455)		400,000
	Enhanced Crosswalk Striping and Beacons (3454)		600,000
	sub-total		1,200,000
From the Street CIP *	To the General Government for:		
	Defunding Soundwall and Barrier Repair and Renovation (4267)		200,000
	sub-total		200,000
From the Park Improvement Fund *	To the General Government CIP for:		
	Citywide Park Playground Rehabilitation (3424)		750,000
	sub-total		750,000
From the Park Improvement CIP *	To the General Government for:		
	Defunding Sports Fields Turf Rehabilitation Prog. (5108)		250,000
	Defunding Sandalwood park renovation (5110)		1,250,000
	sub-total		1,500,000
From the Park Improvement CIP *	To the Park Improvement Fund:		
	Defunding Sandalwood park renovation (5110)		600,000
	Defunding Sports Fields Turf Rehabilitation Prog. (5108)		49,000
	sub-total		649,000
From the Midtown Park Fund *	To the General Government CIP for:		
	Citywide Park Playground Rehabilitation (3424)		300,000
	sub-total		300,000
From the General Government *	To the Subsidiary CIP Fund for:		
	On-Call Parks and Landscaping Services (3463)		150,000
	Fire Stations Security (3461)		200,000
	On-Call Facilities maintenance & Repairs (3462)		310,000
	Police Records Management System (3423)		750,000
	Fire Station #2 Replacement (3447)		700,000
	sub-total		2,110,000

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

Origin and Purpose of Transfer

Transfer
Distribution

From the General Government CIP *	To the General Government Fund for:	
	Defunding Fire State Improvements (3403)	520,000
	Defunding City Buildings, Exterior Painting & Repairs (3414)	300,000
	Defunding PD Communications (3415)	1,300,000
	Defunding Citywide Park Playground Rehabilitation (3424)	450,000
	Defunding Utility Undergrounding 2017 (3425)	69,387
	Defunding Annual Tree Replacement Program (3438)	200,000
	Defunding Fire Department USAR Response Equipment (3441)	40,000
	Defunding Street Landscape Irrigation Repair (3449)	174,000
	Defunding Enhanced Crosswalk Striping and Beacons (3454)	497,000
	Defunding Pilot Street Sweeping Program (3455)	500,000
	Defunding Community Center Building Assessment (3456)	150,000
	Defunding ALPRs and Security Cameras (3459)	300,000
	sub-total	4,500,387
From the Fire Station Bond *	To the Subsidiary CIP Fund for:	
	Fire Station #2 Replacement (3447)	13,000,000
	sub-total	13,000,000
From the Storm Drain Fund *	To the Subsidiary CIP Fund for:	
	Storm Drain System Rehab 17-19 (3715)	1,025,000
	On-Call Storm Maintenance & Repair (3719)	145,000
	sub-total	1,170,000
From the Storm Drain CIP *	To the General Government for:	
	Defunding Dempsey Rd Storm Drain Replacement (3709)	1,430,000
	Defunding Trash Removal Devices (3713)	100,000
	Defunding City Parking Lot Rehab Program (3716)	50,000
	sub-total	1,580,000
From the Storm Drain CIP *	To the Storm Drain Fund for:	
	Defunding Flap Gate Replacement (3714)	75,000
	sub-total	75,000
From the Transit Area Impact Fee Fund *	To the Subsidiary CIP Fund for:	
	Transit Area Specific Plan Update (2006)	250,000
	Montague Expwy Ped Overcrossing at Piper (2008)	750,000
	S. Milpitas Blvd. Veh. Bridge at Penitancia (2016)	1,375,000
	Trade Zone/Montague Park - Central (2023)	600,000
	sub-total	2,975,000

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

Origin and Purpose of Transfer

Transfer
Distribution

From the Water M&O Fund	To the General Fund for:		
	Operating Cost Reimbursement		2,748,779
		sub-total	2,748,779
From the Water CIP *	To the Subsidiary CIP Fund for:		
	Defunding Reservoir Cleaning (7112)		20,000
		sub-total	20,000
From the Water CIP *	To the Water M&O Fund for:		
	Defunding Reservoir Cleaning (7112)		150,000
		sub-total	150,000
From the Water Line Extension Fund *	To the Subsidiary CIP Fund for:		
	On-Call Water Maintenance & Repair Services (7137)		228,000
		sub-total	228,000
From the 2016 Water Bonds *	To the Subsidiary CIP Fund for:		
	Well Upgrade Project (7076)		3,000,000
	Water Supervisory Control & Data Acquisition (7127)		5,500,000
		sub-total	8,500,000
From the Water Infrastructure Rplmnt *	To the Subsidiary CIP Fund for:		
	Water Master Plan 2019 (7136)		50,000
	Water Leak Detection & Condition Asses (7135)		150,000
	Minor Water Projects (7133)		300,000
	Automated Water Meter Replacement (7121)		2,030,000
	On-Call Water Maintenance & Repair Services (7137)		347,000
		sub-total	2,877,000
From the Sewer M & O Fund	To the General Fund for:		
	Operating Cost Reimbursement		1,585,433
		sub-total	1,585,433
From the Sewer M & O Fund *	To the Subsidiary CIP Fund for:		
	On-Call Sewer maintenance & Repair Services (6134)		74,000
		sub-total	74,000
From the Sewer CIP *	To the Sewer M & O Fund for:		
	Defunding Sanitary Sewer Condition Assement (6119)		74,000
		sub-total	74,000

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

Origin and Purpose of Transfer		Transfer Distribution
From the Sewer CIP *	To the Sewer Infrastructure Replacement Fund for:	
	Defunding Sanitary Sewer Condition Assessment (6119)	50,000
	Defunding Sewer Pump Station Rehab. Program (6124)	148,000
	Defunding Minor Sewer Projects (6126)	37,000
	sub-total	235,000
From the Treatment Plant Construction Fund *	To the Subsidiary CIP Fund for:	
	Main Lift Station Odor Emissions Control (6130)	200,000
	sub-total	200,000
From the 2019 Wastewater Bonds Fund *	To the Subsidiary CIP Fund for:	
	SJ/Santa Clara regional Waste Water (6118)	8,247,195
	sub-total	8,247,195
From the Sewer Infrastructure Replacement	To the General Government CIP for:	
	Annual Sidewalk, Curb & Gutter Repair (3426)	129,910
	sub-total	129,910
From the Sewer Infrastructure Replacement *	To the Subsidiary CIP Fund for:	
	Sanitary Sewer Cathodic Protection Impro (6131)	500,000
	On-Call Sewer maintenance & Repair Services (6134)	24,000
	sub-total	524,000
From the Permit Automation Fund	To the General Government CIP for:	
	City Std. Details Guidelines, & Specs (3418)	100,000
	Technology Projects (3427)	300,000
	sub-total	400,000
TOTAL TRANSFERS		\$63,121,641

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

City Council

Mayor: Rich Tran

Mission Statement

The City Council serves as the informed, legislative governing body of the City on all issues, provides guidance in assessing the needs of the community and policy direction for the development of programs and provision of services to the Milpitas community.

Description

The City has a Council/Manager form of government. The Council sets policy and approves the budget, contracts, and programs.



Services

- Serves as governing body of the City.
- Provides legislative direction to the City.
- Promulgates policies for provision of services and direction for the City.
- Enacts ordinances and resolutions necessary for governing the affairs of the City.
- Adopts the Annual Operating Budget and Five-Year Capital Improvement Program.
- Serves as City Representatives at public events and functions.



Council Priority Areas



Public Safety



Environment



**Transportation
and Transit**



**Economic
Development and
Job Growth**



**Neighborhoods
and Housing**



**Community Wellness
and Open Space**



**Governance and
Administration**

Budget Summary

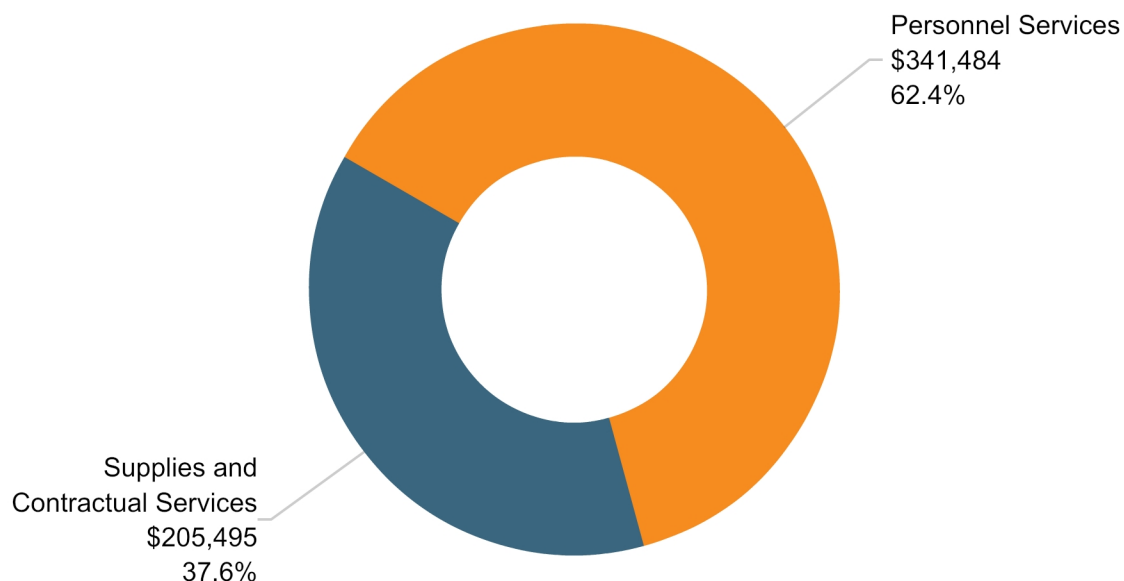
DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	\$56,978	\$57,039	\$56,994	\$59,258	\$2,264	4.0 %
4112	Temporary Salaries	2,375	2,925	149,556	144,728	(4,828)	(3.2)%
4121	Allowances	37,078	37,033	38,700	37,560	(1,140)	(2.9)%
4131	PERS	9,601	13,022	23,884	11,773	(12,111)	(50.7)%
4132	Group Insurance	68,537	90,482	111,468	79,752	(31,716)	(28.5)%
4133	Medicare	1,334	1,452	1,488	2,128	640	43.0 %
4135	Worker's Compensation	410	274	298	2,395	2,097	703.7 %
4139	PARS	548	173	72	2,171	2,099	2,915.3 %
4146	Short Term Disability	0	0	1,020	252	(768)	(75.3)%
4161	Retiree Medical Reserve	0	2,844	2,844	1,467	(1,377)	(48.4)%
sub-total		176,861	205,244	386,324	341,484	(44,840)	(11.6)%
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion, Grant/ Loan	18,801	520,468	42,500	42,500	0	0.0 %
4220	Supplies	1,575	3,860	11,000	11,000	0	0.0 %
4230	Services	489,939	3,286	31,600	31,600	0	0.0 %
4500	Training, Travel, & Memberships	59,529	90,759	103,895	108,395	4,500	4.3 %
4520	Commissions & Boards	19,442	5,986	12,000	12,000	0	0.0 %
sub-total		589,286	624,359	200,995	205,495	4,500	2.2 %
TOTAL		\$766,147	\$829,603	\$587,319	\$546,979	\$(40,340)	(6.9)%

Staffing*

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
City Council	4.00	4.00	4.00	4.00	0.00
Mayor	1.00	1.00	1.00	1.00	0.00
Total Positions	5.00	5.00	5.00	5.00	0.00

* Funding for 5 Interns (2.5 Temporary FTEs) included in the City Council budget.

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	5.00	\$587,319	\$0	\$587,319
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		(44,840)		(44,840)
Annual Membership Increases (Association of Bay Area Governments [ABAG] \$2,500, National League of Cities \$1,000, Local Agency Formation Corporation [LAFCO] \$1,000)		4,500		4,500
Adjustments to Costs of Ongoing Activities	0.00	(40,340)	0	(40,340)
Total FY 2020-21 Budget	5.00	\$546,979	\$0	\$546,979

City Manager

Interim City Manager: Steven G. McHarris

Mission Statement

The City Manager's Office is responsible for implementing and supporting City Council direction, managing day-to-day operations of the City, and providing leadership and professional management to the organization.

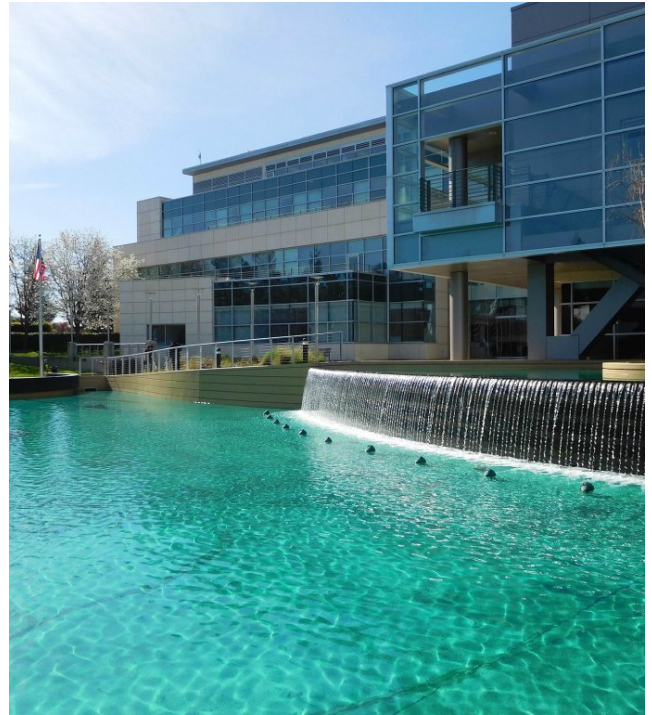
Description

This function provides the administration of City government in an efficient and effective manner according to the general policy guidelines of the City Council and recommends strategies and solutions to issues for Council consideration.

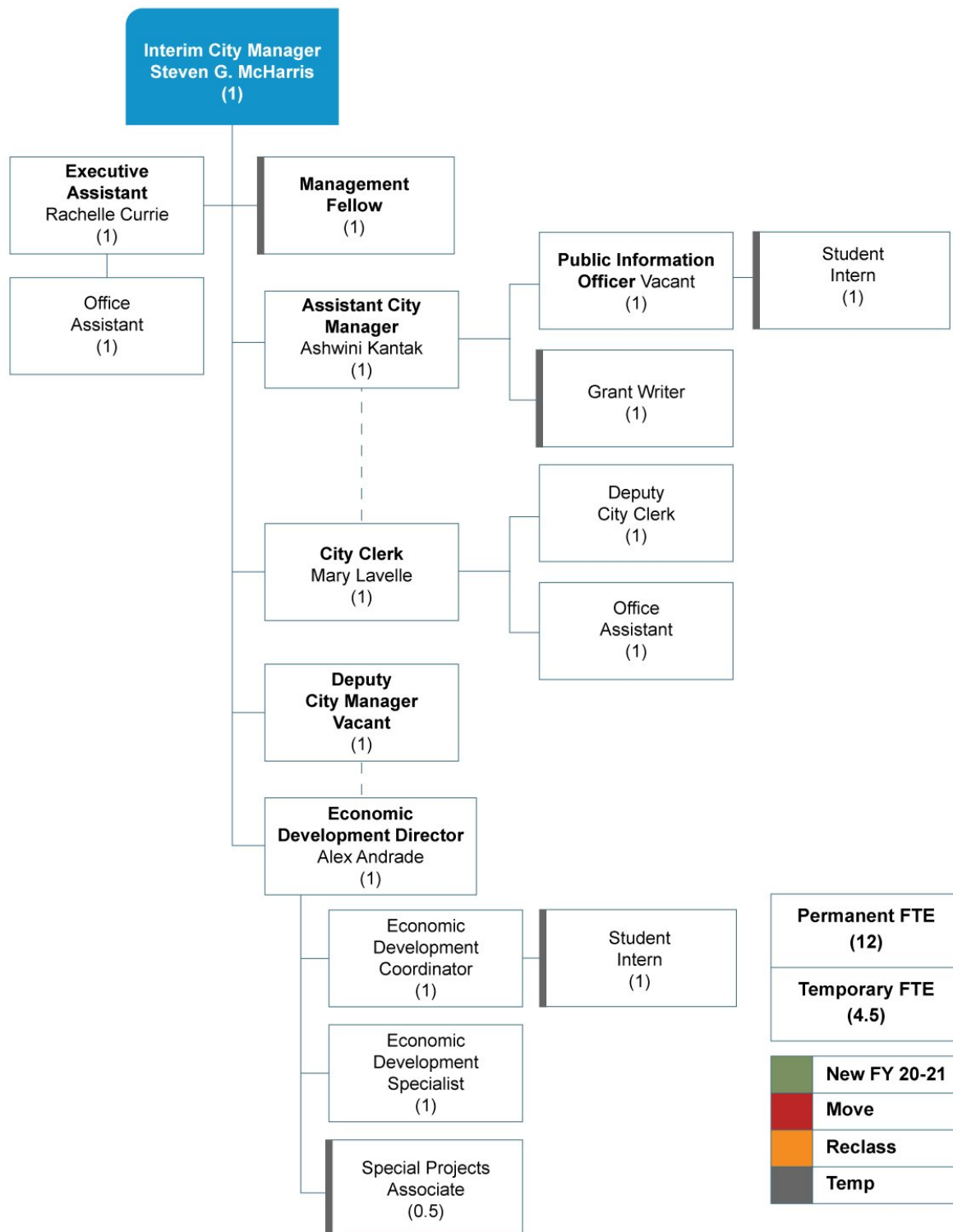









Services


- Provides professional expertise and support to the City Council in formulation, interpretation and application of public policy to achieve community goals and objectives.
- Ensures the delivery of services to the Milpitas community in an effective and efficient manner.
- Administers the operations of City government.
- Advances organizational vision, determines organizational accountability, goals, and organizational capacity.
- Implements the City's general policy guidelines.
- Submits for adoption a balanced budget that identifies all the anticipated revenues and expenditures.
- Provides timely and reasonable responses to the City Council, community and customers.
- Follows legislative activities of federal, state, regional and local political bodies and keeps Council apprised of the potential impact to the City.



City Manager



	Accomplishments	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Successfully led the organization through the COVID-19 emergency while ensuring employee safety, continuity of essential services, assistance to the community, and collaboration with community partners.	✓			✓	✓	✓	✓
2.	Successfully supported Council on several inclusionary housing policies and initiatives, including a pilot rent relief program					✓		
3.	Continued to demonstrate sound fiscal management; including close tracking and expenditure adjustments to address the budget shortfall related to COVID-19	✓	✓	✓	✓	✓	✓	✓
4.	Continued to guide effort to improve permit turn-around time and customer satisfaction				✓	✓		✓
5.	Led robust community engagement on several assistance programs and resources related to housing and COVID-19 related programs				✓	✓	✓	✓
6.	Provided guidance and support to departments on various master planning efforts	✓	✓	✓	✓	✓	✓	✓
7.	Continued to guide several inter-departmental efforts to improve processes and technology for more efficient City operations including new budget, procurement, and HR systems							✓
8.	Increased employee engagement through the launch of a City intranet, an employee survey, employee "coffee chats", a mentoring program, and a citywide training program							✓

Initiatives	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
							
1. Continue to support Council on advancing all Council Priority Areas	✓	✓	✓	✓	✓	✓	✓
2. Lead cross-departmental efforts to address community needs such as affordable housing, homeless services and prevention, and small business assistance, especially in support of COVID-19 recovery efforts		✓		✓	✓	✓	
3. Continue to lead effective City operations and deliver high quality services to the Milpitas community	✓	✓	✓	✓	✓	✓	✓
4. Demonstrate strong fiscal planning and stewardship to ensure the long-term fiscal sustainability of the City and take needed actions to mitigate the impact of COVID-19 and support recovery	✓	✓	✓	✓	✓	✓	✓
5. Work with the City Attorney to address legislative and regulatory issues in a timely and proactive manner							✓
6. Implement technology and process improvements to streamline operations and improve a culture of collaboration across departments							✓
7. Increase professional development, training, and mentoring opportunities for employees							✓
8. Update outdated Council and administrative policies to ensure alignment with best practices and existing laws and regulations to mitigate risk for the City							✓

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Residents that are satisfied or very satisfied with the quality of City services *	N/A	N/A	70%	80%	75%
Residents contacting the City who say they are satisfied or very satisfied with the timeliness, courtesy and competency of City employees *	N/A	N/A	83%	79%	80%
Employees who feel their work is valued by the City **	N/A	N/A	75%	67%	70%
Employees who feel safe at work **	N/A	N/A	90%	85%	90%
Employees receiving timely annual performance appraisals	N/A	N/A	90%	N/A	90%
Number of social media campaigns	N/A	N/A	10	17	20

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
City Council agenda items	463	454	463	450	450
Information Memos published ¹	21	13	95	57	26
City Manager Weekly Reports ²	49	44	46	25	26
Press Releases ³	9	19	30	29	20
Communications to all employees ⁴ (emails, newsletters, town hall meetings)	13	7	30	45	30

* Source: 2019 Community Survey

** Source: 2018-2019 Employee Pulse Survey

*** Items related to COVID-19 pandemic

1 - 38 items related to COVID-19 pandemic in FY 19-20 Estimate

2 - moved to bi-weekly City Manager reports in August 2019

3 - 19 items related to COVID-19 pandemic in FY 19-20 Estimate

4 - 38 items related to COVID-19 pandemic in FY 19-20 Estimate

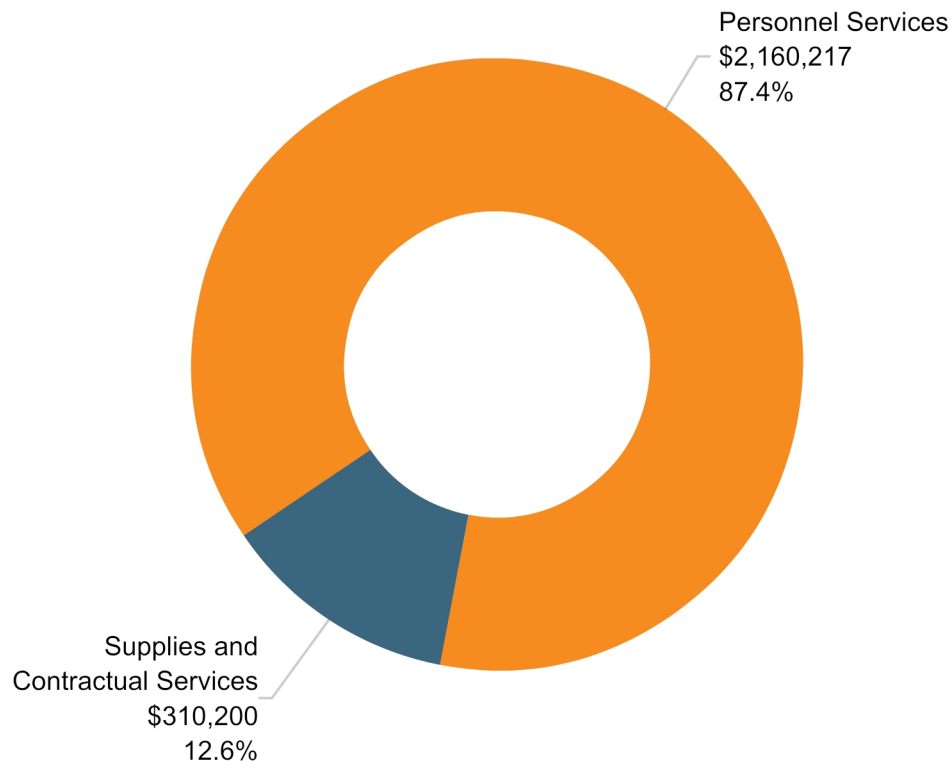
Budget Summary

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	\$335,238	\$986,345	\$1,118,542	\$1,204,932	\$86,390	7.7 %
4112	Temporary Salaries	55,330	1,872	223,170	262,684	39,514	17.7 %
4113	Overtime	10,043	6,581	0	0	0	0.0 %
4121	Allowances	2,031	6,346	6,600	19,800	13,200	200.0 %
4124	Leave Cashout	51,570	193,479	0	0	0	0.0 %
4131	PERS	98,577	369,139	527,746	448,805	(78,941)	(15.0)%
4132	Group Insurance	38,228	77,566	129,384	121,308	(8,076)	(6.2)%
4133	Medicare	6,478	17,320	19,944	21,567	1,623	8.1 %
4135	Worker's Compensation	3,138	1,864	6,686	7,260	574	8.6 %
4138	Deferred Comp-Employer	1,416	3,122	26,256	24,500	(1,756)	(6.7)%
4139	PARS	4,822	30,141	450	539	89	19.8 %
4146	Short Term Disability	0	0	1,224	504	(720)	(58.8)%
4161	Retiree Medical Reserve	29,892	51,852	55,704	48,318	(7,386)	(13.3)%
sub-total		636,763	1,745,627	2,115,706	2,160,217	44,511	2.1 %
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion, Grant/ Loan	7,001	11,498	10,000	23,675	13,675	136.8 %
4210	Department Allocations	2,126	0	0	0	0	0.0 %
4220	Supplies	19,197	22,876	10,500	10,500	0	0.0 %
4230	Services	108,534	168,197	300,000	250,000	(50,000)	(16.7)%
4500	Training, Travel, & Memberships	1,230	27,220	39,700	26,025	(13,675)	(34.4)%
sub-total		138,088	229,791	360,200	310,200	(50,000)	(13.9)%
TOTAL		\$774,851	\$1,975,418	\$2,475,906	\$2,470,417	\$(5,489)	(0.2)%

Staffing

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Assistant City Manager	1.00	1.00	1.00	1.00	0.00
City Manager	1.00	1.00	1.00	1.00	0.00
Deputy City Manager	0.00	1.00	1.00	1.00	0.00
Executive Assistant	0.00	0.00	1.00	1.00	0.00
Executive Secretary	1.00	1.00	0.00	0.00	0.00
Office Specialist	0.00	1.00	1.00	1.00	0.00
Public Information Officer	0.00	1.00	1.00	1.00	0.00
Total Positions	3.00	6.00	6.00	6.00	0.00

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	6.00	\$2,332,184	\$143,722	\$2,475,906
One-Time Prior Year Budget Adjustments				
2020 Census Outreach Contractual Services		(50,000)	0	(50,000)
One-Time Prior Year Budget Adjustments	0.00	(50,000)	0	(50,000)
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		154,569	(110,058)	44,511
Adjustments to Costs of Ongoing Activities	0.00	154,569	(110,058)	44,511
Total FY 2020-21 Budget	6.00	\$2,436,753	\$33,664	\$2,470,417



City Clerk

City Clerk: Mary Lavelle

Mission Statement

The City Clerk holds several statutory responsibilities, including administration of municipal elections and records management. City Clerk provides timely agenda material for the City Council to take action at bi-monthly regular meetings.

City Clerk ensures compliance with relevant laws aimed at safeguarding democracy and public transparency including the Ralph M. Brown Act, California Elections Code, the Political Reform Act and Public Records Act.

Description

The Milpitas City Clerk serves as the legislative administrator, elections official, and records manager of the City as well as the Clerk of City Council and Secretary to the Milpitas Public Financing Authority, Milpitas Municipal Financing Authority and Housing Authority.







Services

- Prepares, edits and publishes City Council agenda and meeting minutes for all regular and special City Council meetings.
- Ensures municipal records are readily available and accessible to all and serve as main point of contact for residents, City officials and staff, and other governments.
- Complies with the Ralph M. Brown Act, the Public Records Act and the City's Open Government Ordinance.
- Provides centralized records management, including production and retention of all meeting agendas and minutes of all City Council (and related entity) meetings.
- Coordinates outreach and tracking of terms of service and Mayor's appointments to 12 City Commissions.
- Maintains codification of ordinances, i.e. ensuring publication of Milpitas Municipal Code by vendor Municipal Code Corporation.
- Administers municipal elections, including candidate filing in November of even years, and receives required campaign finance reports on semi-annual basis.
- Receives and files annual Fair Political Practices Commission Forms 700 / Statements of Economic Interest for all designated employees, Commissioners, and elected officials.
- Responsible for requests for rental of City Hall facilities.
- Operates the U.S. Passport Acceptance Agency for passport applications.
- Conducts Administrative Hearings, upon request, for Parking Citations and others municipal code violations.



Accomplishments		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Prepared all City Council, Housing Authority, and Public Financing Authority regular & special meeting including Study Session agendas, via use of MuniCode Meetings software, and wrote all meeting minutes	✓	✓	✓	✓	✓	✓	✓
2.	Collected and posted online required Fair Political Practices Commission documents, including conflict of interest (Form 700), campaign committee (Form 460) and others. Implemented use of Netfile software for online filing							✓
3.	Responded to Calif. Public Records Act and Milpitas Open Government Ordinance requests for records							✓
4.	Continued US Passport Acceptance Agency program with service by appointment only							✓
5.	Tracked members' terms for all 12 City of Milpitas Commissions, provided Mayor & staff liaisons with info. and support, maintained Directory of Local Officials							✓
6.	Provided Notary Public service to departments and City staff, upon request							✓
7.	City Clerk issued 4 Bingo License Renewals, including Milpitas Charity Bingo							✓
8.	Culled and destroyed eligible records/files, per adopted schedule, and added more records to online storage location for Public Access to Documents on website							✓
9.	Supported City Council Rules Subcommittee, preparing agendas and related documents							✓
10.	Tracked Council agenda items on: Tentative Agenda Item Lists, Major Discussion Items (6 mos. excel), Preview List, Council referral items (excel), and Preliminary or Final City Council Agenda							✓

Initiatives		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Prepare all City Council, Housing Authority, and Public Financing Authority regular and special meeting agendas and minutes	✓	✓	✓	✓	✓	✓	✓
2.	Track Council agenda items on: Tentative Agenda Item Lists, Major Discussion Items (6 mos. excel), Preview List, Council referral items (excel), Preliminary and Final City Council Agenda and List of Requested Agenda items							✓
3.	Respond to Public Records Act and Open Govt. Ord. requests for public records.	✓	✓	✓	✓	✓	✓	✓
4.	Continue successful operation of US Passport Acceptance Agency program, including 1 Saturday Passport Fair							✓
5.	Conduct Candidate Filing for Municipal Election scheduled on November 3, 2020. Coordinate with Registrar of Voters for all election matters, filing documents for all candidates and ballot measure(s) - via Netfile or on paper							✓
6.	Collect mandated Fair Political Practices Commission documents from filers, including all annual Statements of Economic Interests (700) and campaign committee reports (460, etc.)							✓
7.	Destroy eligible records and files, according to Records Retention Schedule							✓
8.	Track all Commissioner terms, maintain directory, provide Commissioner Handbook and training to City of Milpitas appointed Commissioners							✓
9.	Continue to Provide Notary Public service for City staff, as needed							✓
10.	Support City Council Rules Subcommittee, preparing agendas and related documents							✓

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
City Council agendas posted on time, in accordance with Open Government Ordinance 6 days prior to meeting	100%	100%	100%	100%	100%
City Council agenda packets prepared, posted and delivered 5 days prior to meeting.*	98%	50%	100%	50%	100%
Compliance with timely filings of Fair Political Practices Commission Forms 700 / Statements of Economic Interest (due April 1 annually)	98%	100%	100%	100%	100%
Compliance with timely filings of Fair Political Practices Commission Forms 460 / Campaign Committee reports (due annually January 31 and July 31, plus more often at Election time)	98%	90%	100%	95%	100%

*Prior to FY 2019-20, the Council agenda packets performance was target 6 days prior to the meeting

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
City Council Agenda reports (regular and special)	439	378	400	400	375
City Council Meeting Minutes prepared (# pages written)	40 (249)	33 (214)	34 (200)	32 (200)	32 (200)
US passport applications accepted	2,465	2,251	2,150	2,250	2,250
Candidates assisted in Municipal Election	0	13	0	12	0
Tort Claims received by City Clerk	57	47	45	45	45
Fair Political Practices Commission Forms 700 (SEI) received	131	176	195	195	200
Fair Political Practices Commission Campaign Committee Reports filed	41	74	65	40	70
Notary Public acknowledgments (or jurats)	49	32	35	35	35

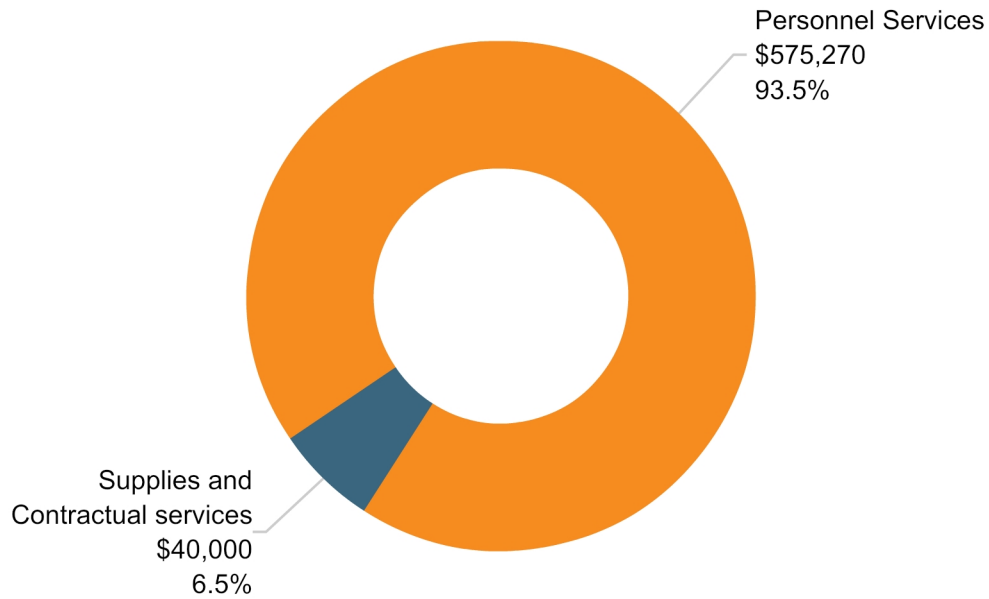
Budget Summary

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	\$294,004	\$328,633	\$351,179	\$365,571	\$14,392	4.1 %
4112	Temporary Salaries	4,991	972	0	0	0	0.0 %
4113	Overtime	244	272	0	0	0	0.0 %
4121	Allowances	0	0	0	6,600	6,600	0.0 %
4124	Leave Cashout	7,713	11,123	0	0	0	0.0 %
4131	PERS	96,782	123,280	144,133	116,671	(27,462)	(19.1)%
4132	Group Insurance	49,058	61,566	64,692	60,960	(3,732)	(5.8)%
4133	Medicare	4,536	5,028	5,141	5,396	255	5.0 %
4135	Worker's Compensation	1,572	1,544	1,671	1,828	157	9.4 %
4138	Deferred Comp-Employer	2,400	2,700	2,700	2,700	0	0.0 %
4139	PARS	76	14	0	0	0	0.0 %
4146	Short Term Disability	0	0	612	252	(360)	(58.8)%
4161	Retiree Medical Reserve	15,696	15,372	16,716	15,292	(1,424)	(8.5)%
sub-total		477,072	550,504	586,844	575,270	(11,574)	(2.0)%
SUPPLIES AND CONTRACTUAL SERVICES							
4220	Supplies	2,012	1,121	3,000	3,000	0	0.0 %
4230	Services	21,604	15,101	30,000	30,000	0	0.0 %
4280	Elections	0	103,617	0	0	0	0.0 %
4500	Training, Travel, & Memberships	5,620	3,696	7,000	7,000	0	0.0 %
sub-total		29,236	123,535	40,000	40,000	0	0.0 %
TOTAL		\$506,308	\$674,039	\$626,844	\$615,270	\$(11,574)	(1.8)%

Staffing

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
City Clerk	1.00	1.00	1.00	1.00	0.00
Deputy City Clerk	1.00	1.00	1.00	1.00	0.00
Office Assistant II	1.00	1.00	1.00	1.00	0.00
Total Positions	3.00	3.00	3.00	3.00	0.00

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	3.00	\$626,844	\$0	\$626,844
Adjustments to Costs of Ongoing Activities				
Salaries and benefits	0.00	(11,574)	0	(11,574)
Adjustments to Costs of Ongoing Activities	0.00	(11,574)	0	(11,574)
Total FY 2020-21 Budget	3.00	\$615,270	\$0	\$615,270



Economic Development

Economic Development Director: Alex Andrade

Mission Statement

To provide services and resources to the business and development communities with the purpose of attracting, retaining and expanding business and employment opportunities for area residents, stimulating the local economy and expanding local retail sales, transient occupancy and commercial property tax bases while maintaining a positive balance between growth, social equity and the economic vitality of Milpitas.

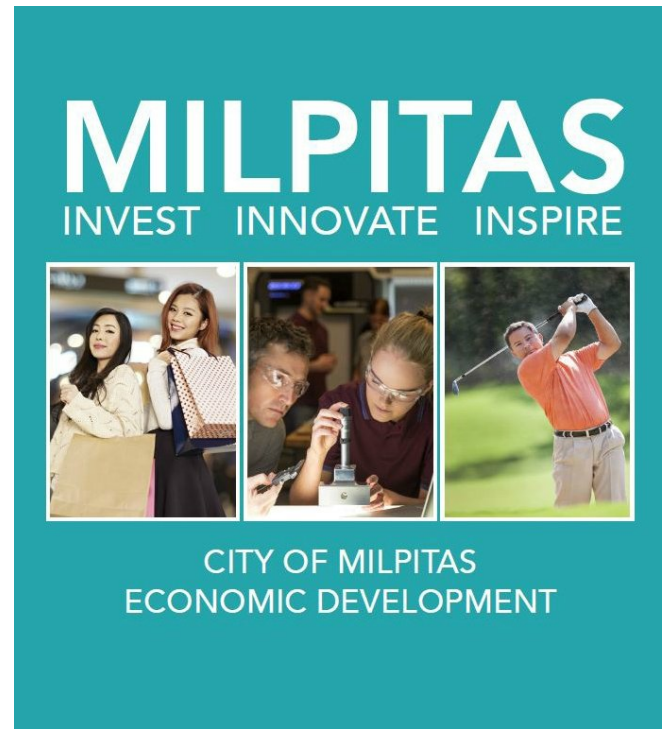
Description

The Office of Economic Development strategizes, manages and directs programs and activities such as business retention, expansion, and attraction, workforce development, marketing and branding, and real estate transactions and development.










Services

- **Business Recruitment, Retention, and Expansion:** Enhance the City's connection to the global economy by engaging with existing and prospective companies in order to attract and retain job-creating businesses.
- **Small Businesses Assistance:** Develop seminars, educational programs, and collateral to assist small businesses in various aspects of business management, permits, and marketing.
- **Development Facilitation:** Facilitate development projects that generate property tax, transient occupancy tax, and sales tax revenues. Ombudsman for permitting process to largest economic development projects from the inception of the project to the completion. Projects include hotels, mixed-use development, industrial, restaurants, retail and etc.
- **Economic Development Studies:** Conduct studies that enhance and sustain the city's economic vitality and utilize data to enhance the economic base of the city.
- **Retail Development:** Recruit key businesses that fill retail gaps and provide sales tax revenues and needed services to the community.
- **Branding and Marketing:** Develop and implement branding and marketing strategies to promote the city at regional, national, and international levels.
- **Economic Development Analysis:** Evaluate economic development data such as, but not limited to jobs, gross domestic product, populations growth locally, regionally, statewide, and nationally; and track sales and transient occupancy taxes to follow trends and gaps.
- **Workforce Development:** Support workforce development by collaborating with regional workforce development organizations, educational institutions, business corporations, and nonprofit organizations.



Accomplishments		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Continued business recruitment, retention, and expansion programs (e.g.: Legoland Discovery Center, KLA, Amazon, Precision Swiss, Lodging Dynamics, Campus Center, Great Mall)				✓			
2.	Promoted Milpitas-based manufacturing companies in order to retain and recruit companies and jobs (e.g.: Flex, Onanon, Precisoyn Swiss, Arevo, View, Cisco)				✓	✓		
3.	In support of workforce development, organized Manufacturing Day 2019 with over 30 high school students in attendance introducing them to tech and advanced manufacturing careers.				✓	✓	✓	
4.	As part of the Small Business Outreach Program, staff worked with approximately 120 small businesses.				✓	✓		
5.	Facilitated development projects that generated property tax and sales tax revenue				✓			✓
6	Conducted studies that enhance and sustain the City's economic vitality (e.g.: Economic Development Strategy, Development Readiness Feasibility Analysis, Economic Development Element on behalf of the General Plan Update)				✓			
7	Purchased real estate in TASP for park enhancement and street extension to/from the Milpitas Transit Center and negotiated a lease for the temporary Fire Station #2.	✓		✓	✓	✓	✓	
8	Marketed the City and the Transit Area in conjunction with local and regional partners.			✓	✓	✓		
9	Partnered with Milpitas Unified School District and Evergreen Valley College introducing students to tech and advanced manufacturing careers.				✓		✓	
10	Increased the City tax base by retaining the top 25 sales tax generating businesses through the Corporate Visitation Program; connecting developers and real estate brokers with tenants that create good jobs and increase sales tax and property tax; and assisting various hotels with marketing to increase occupancy.				✓			✓

Initiatives	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
							
1. Cultivate a strong, stable and diverse local economy.		✓		✓		✓	
2. Achieve fiscal sustainability and maintain adequate revenues to provide quality and essential public services.	✓	✓	✓	✓	✓	✓	✓
3. Encourage new development in key opportunity areas that provide high-quality work environments and competitive business locations.			✓	✓			
4. Pursue economic development opportunities that foster and improve local quality of life.				✓		✓	
5. Increase community workforce preparedness and cultivate an entrepreneurial environment that fosters innovation.		✓		✓		✓	

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Corporate Visitation Program - Percent of corporate visits that lead to a follow up	N/A	N/A	100%	100%	100%
Business Engagement - Percent of meetings with the corporate, brokerage and development communities that may lead to business attraction, retention and expansion	N/A	N/A	100%	100%	100%
Customer Service - Percent of business partners engaged with the Economic Development team who rank their experience as "very good" or "excellent" on a survey	N/A	N/A	70%	70%	70%

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Corporate Visitation Program - Number of corporate visits that lead to a follow up	N/A	N/A	9	9	10
Business Engagement - Number of meetings with the corporate, brokerage and development communities that may lead to business attraction, retention and expansion	N/A	N/A	50	55	55
Branding - Number of promotions and marketing of the local business community through social media and other digital media platforms	N/A	N/A	12	12	12
Permit Assistance - Number of firms who received permit and other assistance from Economic Development staff	N/A	N/A	30	35	35

Budget Summary

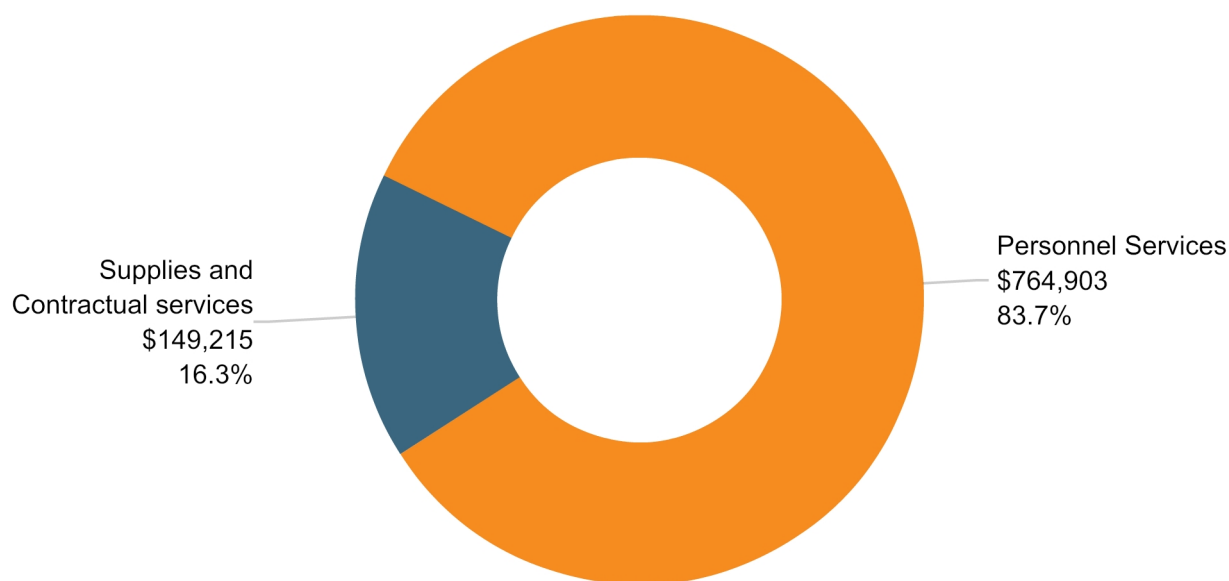
DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	\$351,681	\$323,766	\$416,526	\$461,209	\$44,683	10.7 %
4112	Temporary Salaries	15,750	22,795	55,000	56,200	1,200	2.2 %
4121	Allowances	0	0	0	6,600	6,600	0.0 %
4124	Leave Cashout	9,141	39,904	0	0	0	0.0 %
4131	PERS	106,327	118,180	170,784	143,300	(27,484)	(16.1)%
4132	Group Insurance	45,070	48,270	64,692	66,576	1,884	2.9 %
4133	Medicare	5,501	5,491	6,883	7,235	352	5.1 %
4135	Worker's Compensation	1,618	1,938	2,295	2,401	106	4.6 %
4138	Deferred Comp-Employer	2,366	1,890	2,700	2,700	0	0.0 %
4139	PARS	236	340	825	468	(357)	(43.3)%
4146	Short Term Disability	0	0	612	252	(360)	(58.8)%
4161	Retiree Medical Reserve	14,700	19,428	20,274	17,962	(2,312)	(11.4)%
sub-total		552,390	582,002	740,591	764,903	24,312	3.3 %

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion, Grant/ Loan	13,225	0	6,240	6,240	0	0.0 %
4220	Supplies	576	859	1,500	1,500	0	0.0 %
4230	Services	109,467	98,581	205,000	105,000	(100,000)	(48.8)%
4500	Training, Travel, & Memberships	35,499	26,535	36,475	36,475	0	0.0 %
sub-total		158,767	125,975	249,215	149,215	(100,000)	(40.1)%
TOTAL		\$711,157	\$707,977	\$989,806	\$914,118	\$(75,688)	(7.6)%

Staffing

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Econ Development Specialist	2.00	1.00	1.00	1.00	0.00
Economic Development Coordinator	0.00	1.00	1.00	1.00	0.00
Economic Development Director	1.00	1.00	1.00	1.00	0.00
Total Positions	3.00	3.00	3.00	3.00	0.00

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	3.00	\$939,806	\$50,000	\$989,806
One-Time Prior Year Budget Adjustments				
Pilot Façade Improvements Grant Program*			(50,000)	(50,000)
Pilot Better Block		(50,000)		(50,000)
One-Time Prior Year Budget Adjustments	0.00	(50,000)	(50,000)	(100,000)
Adjustments to Costs of Ongoing Activities				
Salary and Benefits	0.00	24,312	0	24,312
Adjustments to Costs of Ongoing Activities	0.00	24,312	0	24,312
Total FY 2020-21 Budget	3.00	\$914,118	\$0	\$914,118

* Additional \$50,000 was budgeted in FY2019-20 in the Community Benefit Fund.



City Attorney

Christopher J. Diaz

Mission Statement

The Office of the City Attorney provides cost effective legal representation, analysis and guidance to the City Council and City staff at the highest level of professionalism.

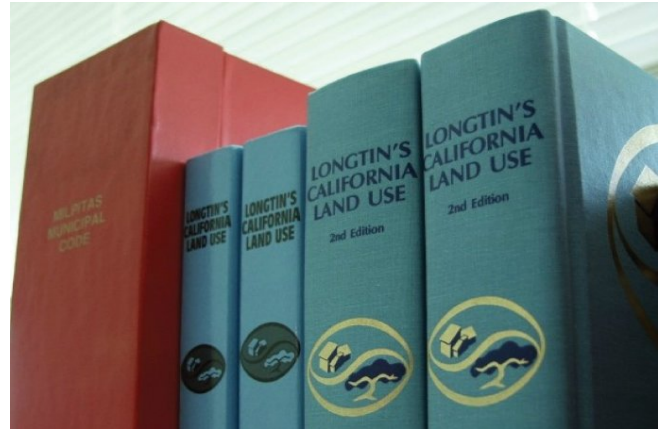
Description

This department provides general legal advice and services to the City Council, RDA Successor Agency, Housing Authority, Milpitas Public Financing Authority, the Milpitas Municipal Financing Authority, City Commissions, City Manager, City departments and other entities as approved by City Council. The City Attorney's Office prepares or approves as to form all proposed ordinances, resolutions, agreements and amendments thereto. This Office negotiates and drafts complex agreements, including at times development agreements with developers; represents the City in litigation and supervises litigation of PLAN JPA appointed counsel; and provides guidance in personnel matters.
















Services

- General legal advice
- Personnel advice
- Litigation
- Employee legal training
- Compliance advice related to current and forthcoming federal and State regulations
- Housing Authority and RDA Successor Agency legal services
- Land use advice and document preparation
- Conflict of Interest and Open Government guidance



City Attorney



		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
Accomplishments								
1.	Provided superior, affordable, timely legal advice and service	✓	✓	✓	✓	✓	✓	✓
2.	Continued to serve the Police Department on gun confiscation petitions and other related matters	✓						✓
3.	Provided ongoing legal training to staff, commissions, etc., including training on resolutions, ordinances and public hearings	✓						✓
4.	Provided ongoing advice re: TASP and development in the TASP, including BART project			✓	✓		✓	
5.	Updated various Municipal Code sections, as authorized	✓	✓	✓	✓	✓	✓	✓
6.	Assisted staff with various ordinances, including rent review program, tenant protections, accessory dwelling units, and massage establishment regulations	✓			✓	✓	✓	✓
7.	Assisted with update to building, fire and reach codes	✓	✓				✓	✓
8.	Assisted with complex litigation matters	✓	✓	✓				✓
9.	Aided the City Council in various conflict, gift, and ethics questions							✓
10.	Continued to advise on Public Records Act requests							✓
Initiatives								
1.	Continue to provide superior, affordable, timely legal advice and service	✓	✓	✓	✓	✓	✓	✓
2.	Continue to advise the Council on various legal issues including conflicts of interest, gift rules, and ethics compliance							✓
3.	Continue to offer various legal trainings to staff and coordinate on ethics training, sexual harassment avoidance training, and other timely topics							✓
4.	Continue to update the Municipal Code based on changes in the law	✓	✓	✓	✓	✓	✓	✓
5.	Work in tandem with City staff to ensure legal compliance	✓	✓	✓	✓	✓	✓	✓
6.	Continue to monitor all pending litigation and provide timely updates to the Council							✓

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Contract complaints / Council agenda contracts	0 / 107	0 / 91	0 / 80	0 / 70	0 / 75
Documents timely produced for Council and Planning Commission Agendas	100%	100%	100%	100%	100%

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Ordinances	13	10	10	19	15
Resolutions (Council & Planning Commission)	148	120	110	111	115
Contracts reviewed / approved	236	418	360	462	465
Court / administrative cases handled / supervised	37	34	45	50	45

Budget Summary

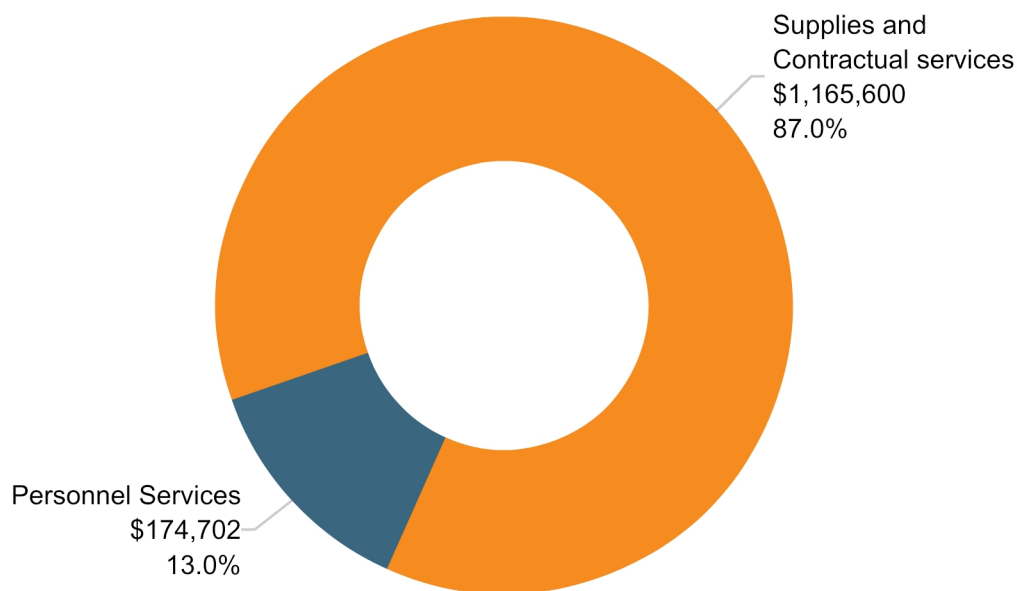
DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	\$106,759	\$109,902	\$109,912	\$120,009	\$10,097	9.2 %
4124	Leave Cashout	0	4,227	0	0	0	0.0 %
4131	PERS	32,868	37,848	45,176	34,883	(10,293)	(22.8)%
4132	Group Insurance	21,258	15,550	21,564	12,264	(9,300)	(43.1)%
4133	Medicare	1,562	1,671	1,608	1,740	132	8.2 %
4135	Worker's Compensation	480	492	492	536	44	8.9 %
4138	Deferred Comp-Employer	900	900	900	900	0	0.0 %
4146	Short Term Disability	0	0	204	84	(120)	(58.8)%
4161	Retiree Medical Reserve	4,764	4,908	4,908	4,286	(622)	(12.7)%
sub-total		168,591	175,498	184,764	174,702	(10,062)	(5.4)%

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4220	Supplies	826	1,113	1,500	1,500	0	0.0 %
4230	Services	1,034,878	1,094,959	1,004,100	1,164,100	160,000	15.9 %
sub-total		1,035,704	1,096,072	1,005,600	1,165,600	160,000	15.9 %
TOTAL		\$1,204,295	\$1,271,570	\$1,190,364	\$1,340,302	\$149,938	12.6 %

Staffing

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Executive Assistant	0.00	0.00	1.00	1.00	0.00
Executive Secretary	1.00	1.00	0.00	0.00	0.00
Total Positions	1.00	1.00	1.00	1.00	0.00

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	1.00	\$1,190,364	\$0	\$1,190,364
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		(10,062)		(10,062)
Contractual Services (Best, Best, and Krieger)		35,000		35,000
Reimbursable Contractual Services (Best, Best, and Krieger) (offset with revenue)		125,000		125,000
Adjustments to Costs of Ongoing Activities	0.00	149,938	0	149,938
Total FY 2020-21 Budget	1.00	\$1,340,302	\$0	\$1,340,302



Building Safety and Housing

Building Safety and Housing Director: Sharon Goei

Mission Statement

The Building Safety and Housing Department is dedicated to enhancing the community's safety, welfare, economic vitality, and quality of life by ensuring that buildings are reviewed, permitted, and inspected to be safe, sustainable, and resilient. Preserving the quality and beauty of neighborhoods through enforcement of City regulations and creating, increasing, and preserving affordable housing and supportive programs for the community are also at the forefront of efforts by the Department to promote the health and welfare of this vibrant and diverse City.

Description

The Building Safety and Housing Department provides plan review, permit administration, and inspection services to implement building safety codes and quality standards to safeguard the public health and safety for the built environment. It provides code enforcement and neighborhood services to maintain and enhance neighborhood quality and general welfare. It also administers the Housing Authority and Community Development Block Grant programs, and develops and implements policies and programs to create affordable housing and enhance housing supportive services for the community.



Services

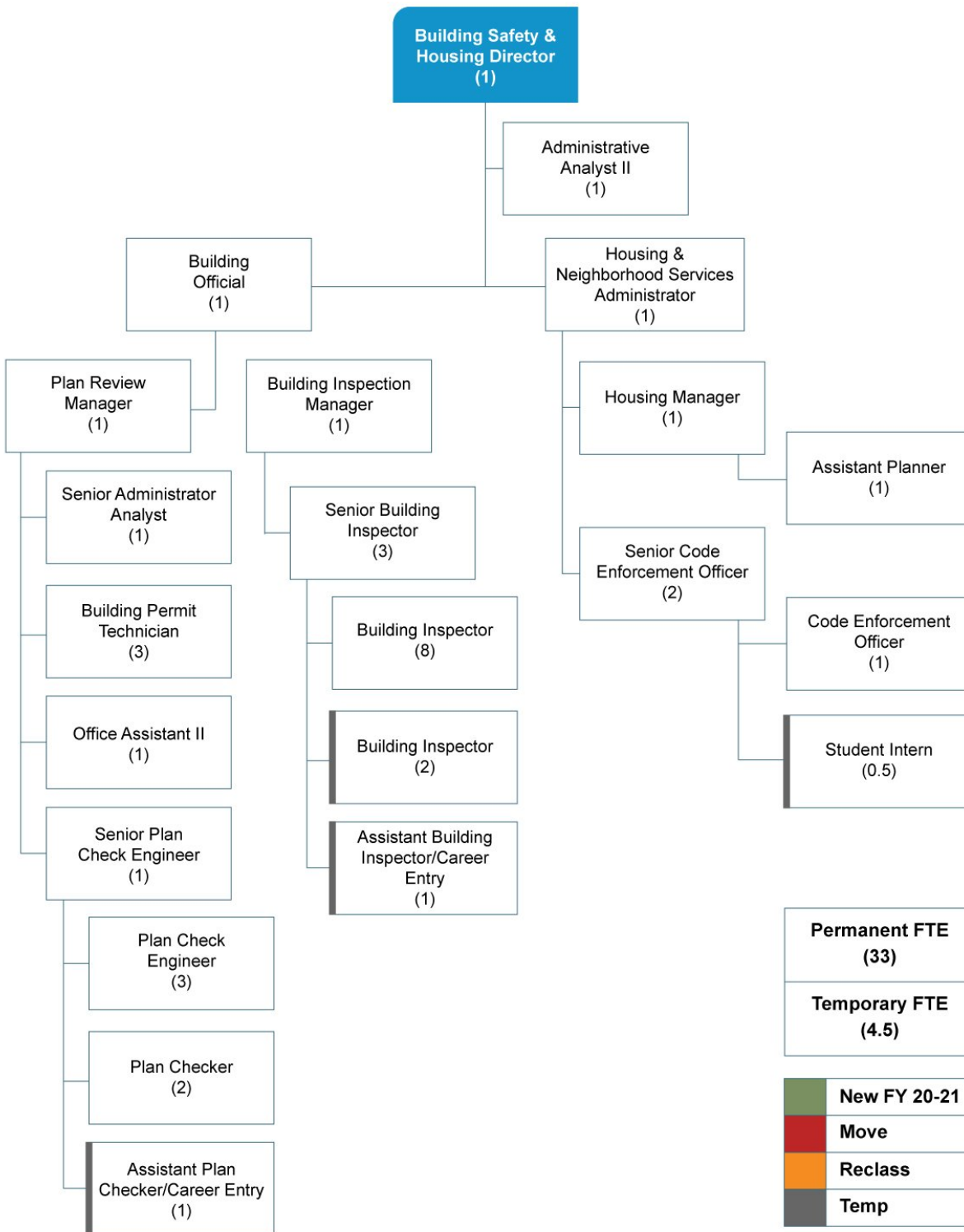
- Perform review of construction plans and documents to ensure safety through compliance with technical codes, State and local regulations, and acceptable engineering practices.
- Perform inspections, including occupancy inspections, to ensure safety of occupants and that buildings are constructed in accordance with approved plans and applicable State and local regulations.
- Assist customers in obtaining building permits and monitoring plan submittal process from initial submittal to permit issuance using 'One Point of Contact' approach.
- Process permit applications, collect permit fees, perform records research, and maintain building plans and records.
- Develop and update an easy-to-follow website allowing customers to receive up-to-date information on code requirements, submit permit applications, obtain submittal requirements, and ask questions regarding other Building Safety and Housing information.
- Meet with developers, design professionals, homeowners, and contractors to assist them in the timely issuance of permits and completion of projects including after business hours services as requested.
- Provide assistance to the Fire Department in fire investigations and building owners for other emergencies.
- Provide assistance and inspections to mobile home parks.
- Provide code enforcement services to correct Health and Safety Code and Municipal Code violations.
- Administer programs for abandoned vehicles, shopping carts, animal control, and neighborhood beautification.

Review and adopt affordable housing policies and programs to advance towards the City's Regional Housing Needs Allocation (RHNA) goals.

- Implement assistance programs for Milpitas residents and conduct outreach to serve Milpitas' vulnerable population.
- Administer the City's affordable housing programs.
- Manage and maintain the City's Below Market Rate homeownership program and applicant waiting list.
- Identify or coordinate funding sources for affordable housing development and preservation.
- Administer the City's Housing Authority and Community Development Block Grant (CDBG) programs.
- Conduct outreach and workshops in partnership with regional non-profits to connect residents with local service organizations to provide support and resources for residents with a wide array of needs.



Building Safety and Housing



		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
Accomplishments								
1.	Developed and implemented a simplified, streamlined Fee Schedule, and Plan Review and Inspection processes, to increase efficiency and enhance customer service.				✓	✓		✓
2.	Brought forward for Council approval new Building Codes and revisions to the Municipal Code to promote green development and streamline local amendments.	✓	✓		✓	✓		
3.	Identified and modified or eliminated several technical and administrative policies that were inconsistent, overly restrictive, or not supported by the Building Codes.				✓	✓		✓
4.	Participated in the Silicon Valley Clean Energy Reach Code amendment process with Council adoption of Energy Code amendments to reduce greenhouse gas (GHG) and carbon emissions.	✓	✓		✓	✓		
5.	Implemented tenant support and housing assistance programs - Pilot Rent Relief Program, Rent Review Program, just cause eviction protection.				✓	✓		
6.	Conducted increased outreach for Community Development Block Grant (CDBG) applications to enhance participation.				✓	✓		
7.	Conducted 25 outreach events and workshops on fair housing, tenant support resources, and various housing related programs in partnership with local non-profit agencies.				✓	✓		
8.	Reviewed and implemented City Council adopted affordable housing policies and programs to advance Milpitas towards the City's Regional Housing Needs Allocation (RHNA) goals.				✓	✓		
9.	Completed department reorganization and integration.							✓
10.	Provided resources, training, and professional development opportunities for team members.							✓

Initiatives		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Continue outreach with development community to improve service delivery and ensure that Milpitas is a community that attracts new development.				✓	✓		✓
2.	Continue to streamline and improve inspection and plan review processes for increased efficiencies, while identifying and modifying or eliminating policies that are inconsistent, overly restrictive, or not supported by the Building Codes.				✓	✓		✓
3.	Implement permit system upgrades and integration with other systems to increase efficiency, improve service delivery, and better serve the development community.		✓		✓	✓		✓
4.	Continue to update the website, intranet, and implement new plan markup collaboration tool and drafting tool to better interact with development community, while streamlining processes to increase overall accuracy and efficiency.				✓	✓		✓
5.	Continue to encourage reduction of greenhouse gas emissions and promote green development through implementation of newly adopted 2019 building reach codes to build a better today and tomorrow for our community.	✓	✓		✓	✓		✓
6.	Identify, implement and administer new programs (e.g.: Rent Review, Pilot Rent Relief Program) to create more affordable housing opportunities and to assist residents with other housing needs.				✓	✓	✓	
7.	Collaborate with nonprofits and regional partners to better serve Milpitas' vulnerable residents and to enhance our housing options.				✓	✓	✓	
8.	Increase outreach on affordable housing programs for Milpitas' vulnerable residents, such as the Pilot Rent Relief Program and the Rent Review Ordinance, by holding monthly workshops and through providing assistance resources in several languages.				✓	✓	✓	
9.	Update code enforcement and neighborhood preservation ordinances.		✓		✓	✓	✓	✓
10.	Provide resources, training, and professional development opportunities for team members, while attracting and retaining talent to better serve the community.				✓			✓

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Percent of customers rating service at Permit Center "Very Good" or "Excellent"	-	-	-	-	90%
Percent of Over-the-Counter Building Permit Plan Reviews (including express tenant improvements)	34%	35%	40%	33%	40%
Building permits for new development projects and buildings/additions:					
1) Percent first plan review completed within 45 days	-	-	-	-	75%
2) Percent subsequent plan reviews completed within 40 days	-	-	-	-	75%
3) Average total processing time from complete application to permit issuance	-	-	-	-	180
Building permits for tenant improvements:					
1) Percent first plan review completed within 45 days	-	-	-	-	75%
2) Percent subsequent plan reviews completed within 40 days	-	-	-	-	75%
3) Average total processing time from complete application to permit issuance	-	-	-	-	130
Percent of building inspections completed within one day	97%	97%	98%	97%	95%
Percent of customers rating inspection services "Very Good" or "Excellent"	-	-	-	-	90%
Percent of code enforcement cases in compliance within 30 days	67%	83%	75%	75%	75%

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Total customers served at Permit Center (Building, Planning, Engineering, Fire, and other)	5,662	5,213	5,000	5,400	5,400
Total Over-the-Counter Permit Reviews	-	-	-	-	1,600
Total issued building permit construction valuation	\$412,631,232	\$349,962,108	\$500,000,000	\$650,000,000	\$500,000,000
Total building permits issued	4,831	3,844	4,000	4,000	4,000
Total plan reviews completed	4,842	4,764	4,500	4,800	4,800
Total building inspections completed	27,938	26,397	28,000	25,000	25,000
Total code enforcement customer service requests	714	784	850	600	600
Total residents served through CDBG, City housing and assistance programs*	2,077	2,239	2,000	2,000	2,000

* Source: CDBG data is gathered from service organizations

Budget Summary

DOLLARS BY FUNCTION	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
Building Inspection	2,386,492	2,764,493	3,229,736	2,904,224	(325,512)	(10.1)%
Building Safety and Housing Administration	\$234,342	\$463,458	\$659,440	\$865,405	\$205,965	31.2 %
Housing and Neighborhood Svcs	1,673,369	1,897,105	3,175,383	2,964,783	(210,600)	(6.6)%
Permit Center	505,003	529,882	839,745	859,129	19,384	2.3 %
Plan Review	770,560	704,475	1,431,060	1,662,619	231,559	16.2 %
TOTAL	\$5,569,766	\$6,359,413	\$9,335,364	\$9,256,160	\$(79,204)	(0.8)%

DOLLARS BY CATEGORY	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES						
4111 Permanent Salaries	\$2,123,950	\$2,456,777	\$3,817,187	\$4,213,392	\$396,205	10.4 %
4112 Temporary Salaries	529,332	481,274	494,840	393,174	(101,666)	(20.5)%
4113 Overtime	31,929	51,781	70,000	70,000	0	0.0 %
4121 Allowances	0	0	0	6,600	6,600	0.0 %
4124 Leave Cashout	82,689	30,377	0	0	0	0.0 %
4131 PERS	893,789	1,096,503	1,711,392	1,462,779	(248,613)	(14.5)%
4132 Group Insurance	515,186	526,443	820,812	772,444	(48,368)	(5.9)%
4133 Medicare	40,062	43,514	63,048	66,900	3,852	6.1 %
4135 Worker's Compensation	29,603	26,469	27,427	30,205	2,778	10.1 %
4138 Deferred Comp-Employer	28,274	22,089	29,700	29,700	0	0.0 %
4139 PARS	75	330	255	259	4	1.6 %
4146 Short Term Disability	0	0	6,732	2,772	(3,960)	(58.8)%
4161 Retiree Medical Reserve	164,377	188,999	213,966	213,827	(139)	(0.1)%
sub-total	4,439,266	4,924,556	7,255,359	7,262,052	6,693	0.1 %

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion, Grant/ Loan	288,993	568,547	939,334	908,734	(30,600)	(3.3)%
4210	Department Allocations	57,411	53,573	53,971	31,574	(22,397)	(41.5)%
4220	Supplies	17,662	29,279	26,000	34,000	8,000	30.8 %
4230	Services	727,200	756,176	1,007,800	974,900	(32,900)	(3.3)%
4500	Training, Travel, & Memberships	14,175	27,282	52,900	44,900	(8,000)	(15.1)%
sub-total		1,105,441	1,434,857	2,080,005	1,994,108	(85,897)	(4.1)%
CAPITAL OUTLAY							
4850	Vehicles	25,059	0	0	0	0	0.0 %
sub-total		25,059	0	0	0	0	0.0 %
TOTAL		\$5,569,766	\$6,359,413	\$9,335,364	\$9,256,160	\$(79,204)	(0.8)%

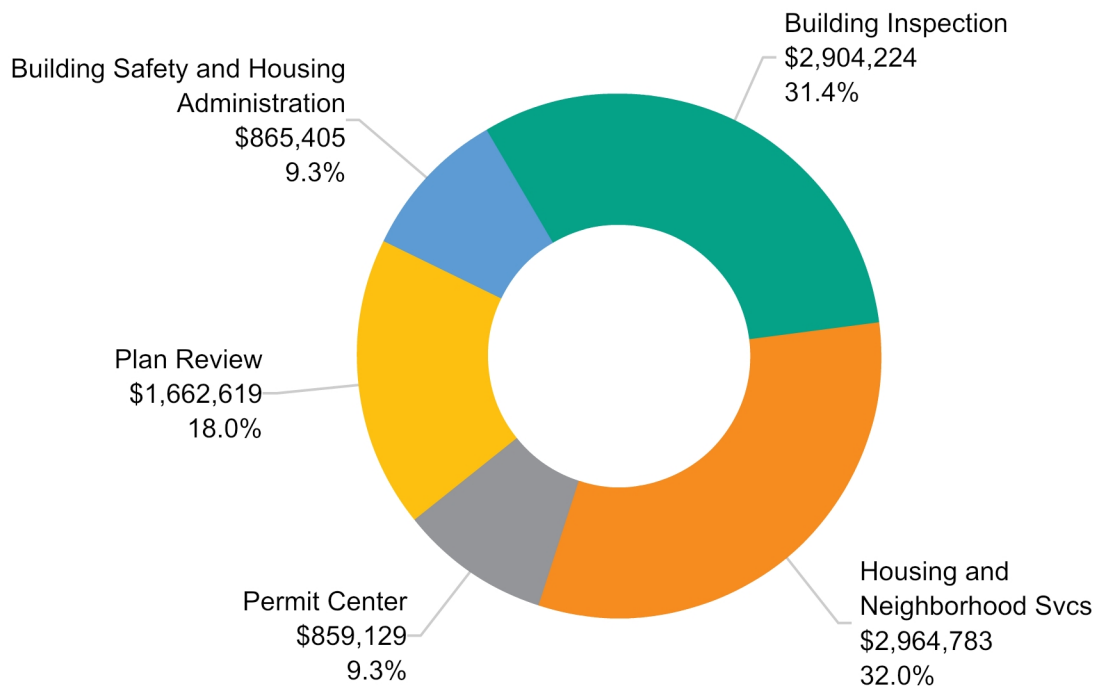
Staffing

POSITIONS BY FUNCTION	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Building Safety and Housing Administration	1.00	1.00	3.00	3.00	0.00
Building Inspection	9.00	9.00	13.00	12.00	(1.00)
Housing and Neighborhood Svcs	5.00	6.00	6.00	6.00	0.00
Permit Center	5.00	4.00	5.00	5.00	0.00
Plan Review	4.00	4.00	6.00	7.00	1.00
TOTAL	24.00	24.00	33.00	33.00	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Administrative Analyst II	0.00	0.00	1.00	1.00	0.00
Assistant Planner	1.00	1.00	1.00	1.00	0.00
Building Safety and Housing Director	1.00	1.00	1.00	1.00	0.00
Building Inspection Manager	1.00	1.00	1.00	1.00	0.00
Building Official	0.00	0.00	1.00	1.00	0.00
Building Permit Technician	2.00	2.00	2.00	3.00	1.00
Building/NP Inspector	6.00	6.00	9.00	8.00	(1.00)
Code Enforcement Officer	0.00	0.00	1.00	1.00	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Electrical Building Inspector	1.00	1.00	0.00	0.00	0.00
Housing Manager	1.00	1.00	1.00	1.00	0.00
Housing and Neighborhood Services Administrator	0.00	1.00	1.00	1.00	0.00
Housing Neighborh'd Specialist	2.00	2.00	0.00	0.00	0.00
Office Assistant II	1.00	1.00	1.00	1.00	0.00
Office Specialist	1.00	1.00	1.00	0.00	(1.00)
Permit Center Manager	1.00	0.00	0.00	0.00	0.00
Plan Check Engineer	2.00	2.00	3.00	3.00	0.00
Plan Checker	1.00	1.00	1.00	2.00	1.00
Plan Review Manager	0.00	0.00	1.00	1.00	0.00
Senior Administrative Analyst	0.00	0.00	1.00	1.00	0.00
Senior Building Inspector	1.00	1.00	3.00	3.00	0.00
Senior Plan Check Engineer	1.00	1.00	1.00	1.00	0.00
Sr. Code Enforcement Officer	1.00	1.00	2.00	2.00	0.00
Total Positions	24.00	24.00	33.00	33.00	0.00




Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	33.00	\$6,693,391	\$2,641,973	\$9,335,364
One-Time Prior Year Budget Adjustments				
AmeriCorp Program Funding		(50,000)		(50,000)
LifeMoves Case Manager			(75,000)	(75,000)
One-Time Prior Year Budget Adjustments	0.00	(50,000)	(75,000)	(125,000)
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		208,196	(229,071)	(20,875)
1.0 Office Specialist to 1.0 Building Permit Technician Reclassification (Council Approval 02/18/2020)		15,951		15,951
1.0 Building Inspector to 1.0 Plan Checker Reclassification (Council Approval 02/18/2020)		11,617		11,617
Equipment Replacement Amortization		(22,397)		(22,397)
Contractual Services (San Jose Animal Services)		12,100		12,100
Community Promotions, Grants & Loans (Technical Correction of FY 2019-20 Adopted Budget)			(30,600)	(30,600)
Adjustments to Costs of Ongoing Activities	0.00	225,467	(259,671)	(34,204)
Total FY2020-21 Base Budget	33.00	6,868,858	2,307,302	9,176,160
Service Level Changes				
Housing Element Consultant		80,000		80,000
Total Service Level Changes	0.00	80,000	0	80,000
Total FY 2020-21 Budget	33.00	\$6,948,858	\$2,307,302	\$9,256,160

Service Level Changes

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures	
1. Housing Element Consultant	0.00	\$80,000	\$0	\$80,000	
	This action adds one-time funding for Housing Element consultant services. California State Law requires cities and counties to conduct a Housing Element Update on a regular basis. This study is to produce a Housing Element that demonstrates Milpitas' ability to accommodate the housing need that will be identified in its 2022 - 2030 Regional Housing Needs Allocation (RHNA). In addition there have been numerous new State housing laws in recent years.				
Performance Results:	 				
Outsourcing the Housing Element Study to a Housing Element Consultant ensures that the State mandate requirements are met by a specialist with the required tools, knowledge and experience in conducting a Housing Element Study, while ensuring that other City Council priorities and department service levels are not impacted.					
Impact if funding is not approved					
If this action is not approved, existing staff will have to be pulled from other high priority projects.					
Total Service Level Changes		0.00	\$80,000	\$0	\$80,000

Engineering

Director of Engineering/City Engineer: Steven Erickson

Mission Statement

The Engineering Department provides resources to enhance and improve City infrastructure through the design, management, and construction of public improvements, including the administration of various public works programs in a safe, coordinated, timely, and cost-effective manner with responsive service to the entire community.

Description

The Department provides professional engineering services for the completion of the City's annual Capital Improvement Program (CIP), performs construction inspection services for both capital projects and private development construction impacting streets and the public right-of-way. Department staff provide review and plan check services for private development project drawings and maps to ensure compliance with adopted city standards, and they administer encroachment permits for construction work within the public right-of-way. Department staff participate in regional programs and coordinate with local agencies in the areas of flood control, urban runoff, and transportation. The Engineering Department has three functions: Design & Construction, Land Development, and Transportation & Traffic.

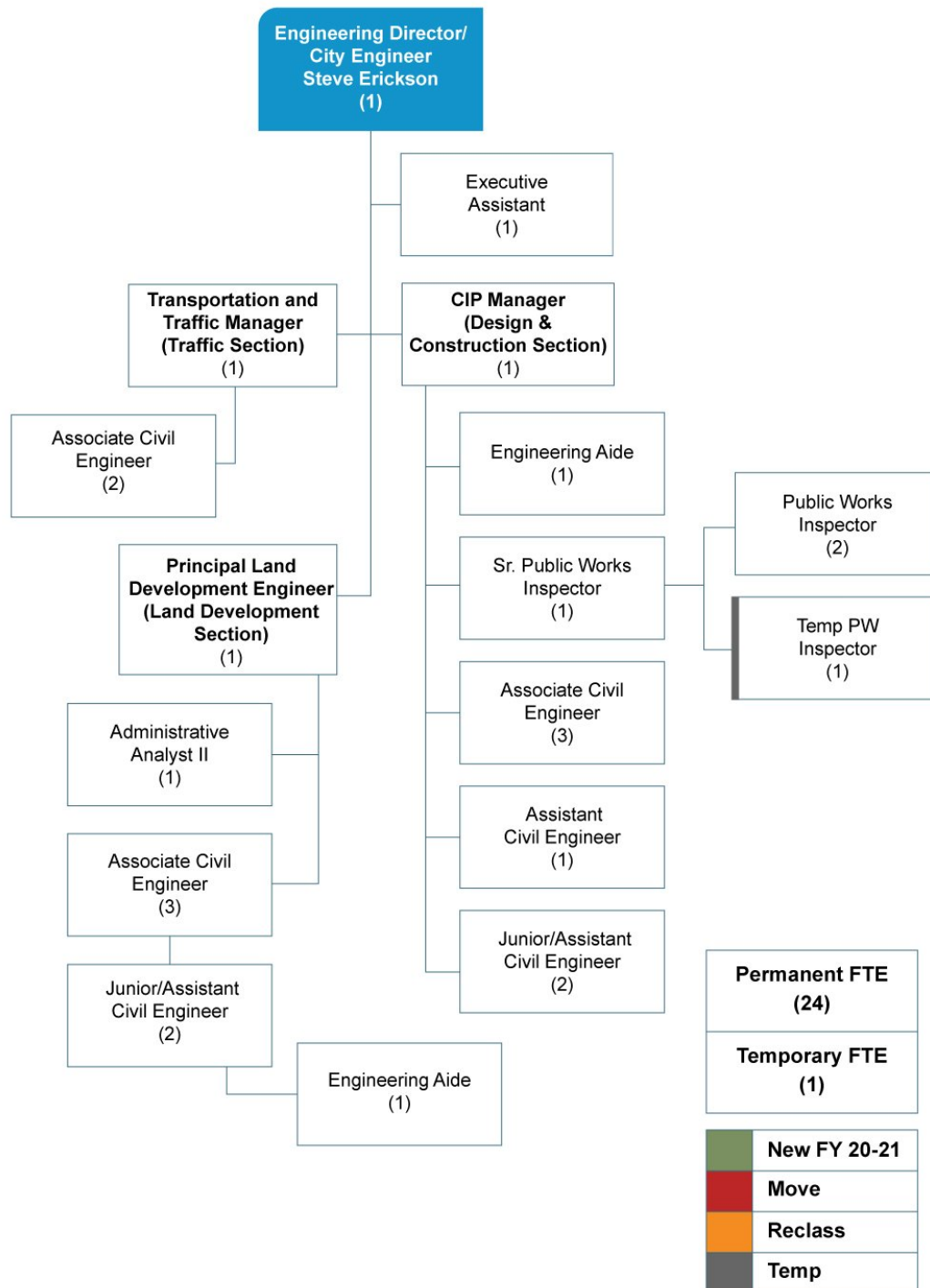









Services








- The Engineering Director/City Engineer leads the Department, including the allocation of resources, determination of staff assignments, and oversees the workload to ensure that infrastructure and work constructed within the City's right-of-way is completed in accordance with industry standards, City codes, state, and federal regulations to protect public health and safety.
- Design & Construction staff oversee the preparation of construction documents, administer and manage construction contracts for the completion of the city's Capital Improvement Program (CIP). Design & Construction Section staff, in conjunction with the Finance Department, create the annual 5-year Capital Improvement Program (CIP) document which funds and prioritizes the completion of capital projects for streets, water, sewer, storm drain utilities, parks, and community infrastructure. Design & Construction Inspection staff review city capital and private development construction projects for compliance with the City standards.
- Land Development staff manage right-of-way encroachments and review private development plans and maps for conformance with City Standards, local, state and federal requirements. Staff ensure private development projects provide required public infrastructure in accordance with development Conditions of Approval. Land Development staff manage encroachment permits for construction within City streets and the public right-of-way, regulate development within the designated floodplain, maintain the City's Community Rating System (CRS) flood insurance rating, and manage the city's record drawing library of city infrastructure.
- Transportation & Traffic engineering staff provide technical review and evaluation of traffic and transportation studies related to development within the City. Staff oversees the operation and timing of traffic signals to ensure safe and efficient operation, reviews construction documents for streets and transportation projects, manages the City's pavement condition index, and completion of annual pavement resurfacing projects



Engineering



	Accomplishments	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Awarded construction contracts for six CIP projects valued at \$7.8M.			✓	✓	✓		✓
2.	Coordinated with the Bay Area Air Quality Management District on implementation of their South Bay Regional Odor Study.	✓	✓					✓
3.	Completed design and started construction of the Sports Center Skate Park and Snack Shack/Restroom building replacement.						✓	
4.	Initiated design and started construction of the replacement to Fire Station No. 2 including temporary station facilities.	✓						✓
5.	Assisted the MUSD in the completion of the new Mabel Mattos Elementary School Phase 2 project.				✓	✓	✓	
6.	Completed assessments of the Police/Public Works Department Buildings and Fire Station No. 1.	✓						✓
7.	Started Master Plans for Parks and Recreation, and for Bicycle, Pedestrians, and Trails.		✓	✓		✓	✓	
8.	Completed Milpitas Sports Center Master Plan		✓	✓		✓	✓	
9.	Completed city shuttle study.		✓	✓				
10.	Coordinated with the Valley Transportation Authority for the opening of the new Milpitas Transit Station and for construction of the Piper Drive Pedestrian Bridge.	✓	✓	✓				
11.	Completed annual 5-year CIP for 2019-2024 including budgets for City's two Landscape Lighting Maintenance Assessment Districts.	✓	✓	✓	✓	✓	✓	✓

Initiatives	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
							
1. Initiate ten CIP projects with an estimated value of \$30M.	✓	✓	✓		✓	✓	✓
2. Complete construction of Sports Center Skate Park and Snack Shack/ Restroom building replacement.						✓	
3. Complete construction of temporary Fire Station No. 2 facility and move-in staff and start construction of the replacement to Fire Station No. 2.	✓	✓					✓
4. Complete construction of the interior renovations to the Alviso Adobe historic building.						✓	
5. Complete design and bidding phases for Sandalwood Park rehabilitation projects.			✓	✓	✓		✓
6. Complete the construction phase for the rehabilitation of Creighton Park.			✓	✓			✓
7. Complete construction of FY 19/20 street resurfacing and ADA ramp/sidewalk projects within specified budget and schedule and implemented project design for FY 20/21 project.	✓	✓	✓	✓	✓	✓	
8. Implement design and construction of new Traffic Calming and Enhanced Crosswalk CIP projects.	✓		✓		✓	✓	
9. Complete Master Plans for Parks and Recreation, and the Bicycle Pedestrian and Trails.		✓	✓		✓	✓	
10. Complete the design and bidding phases, and start construction phase for McCandless Well, Park, and Pedestrian Bridge projects.		✓				✓	

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Mandated FEMA / CRS goals achieved	100%	100%	100%	100%	100%
State mandated storm water permit goals achieved	100%	100%	100%	100%	100%
CIP projects completed on schedule / budget (no additional time/budget requested)	100%	90%	100%	100%	100%
Number of Encroachment Permits for subdivisions and major projects/% first review completed within 45 calendar days	N/A	N/A	N/A	10/90%	8/100%
Number of Minor Encroachment Permits/% first review completed within 30 calendar days	N/A	N/A	N/A	242/90%	245/100%

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Value of CIP construction contracts awarded	\$6.3M	29M	\$30M	\$30M	\$15M
Construction contracts awarded	5	10	10	10	6
CIP & Private Development Projects Completed	8	5	28	16	15
Professional services contracts awarded	5	10	11	13	10
Encroachment permits reviewed and approved	136	155	150	252	200
Number of Encroachment Permit Inspections Completed	N/A	N/A	N/A	1,510	1,550

Budget Summary

DOLLARS BY FUNCTION*	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
Design & Construction*	\$591,039	\$849,732	\$1,434,840	\$1,389,437	\$(45,403)	(3.2)%
Engineering Administration*	260,447	428,954	390,128	388,221	(1,907)	(0.5)%
Land Development	2,018,367	1,831,428	2,077,580	2,072,911	(4,669)	(0.2)%
Traffic Engineering*	276,396	263,311	483,966	524,200	40,234	8.3 %
TOTAL	\$3,146,249	\$3,373,425	\$4,386,514	\$4,374,769	\$(11,745)	(0.3)%

DOLLARS BY CATEGORY*	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES						
4111 Permanent Salaries	\$1,140,012	\$1,594,623	\$1,694,819	\$1,809,501	\$114,682	6.8 %
4112 Temporary Salaries	69,370	42,453	126,286	131,522	5,236	4.1 %
4113 Overtime	7,082	6,871	22,000	22,000	0	0.0 %
4121 Allowances	0	0	0	6,600	6,600	0.0 %
4124 Leave Cashout	35,045	66,496	0	0	0	0.0 %
4131 PERS	391,732	611,664	1,227,566	1,061,073	(166,493)	(13.6)%
4132 Group Insurance	196,305	269,873	542,970	472,825	(70,145)	(12.9)%
4133 Medicare	18,153	25,079	44,487	49,032	4,545	10.2 %
4135 Worker's Compensation	15,285	13,751	16,845	18,654	1,809	10.7 %
4138 Deferred Comp-Employer	14,506	15,128	21,750	21,600	(150)	(0.7)%
4139 PARS	899	436	324	324	0	0.0 %
4146 Short Term Disability	0	0	4,930	2,016	(2,914)	(59.1)%
4161 Retiree Medical Reserve	115,780	140,640	150,315	156,941	6,626	4.4 %
sub-total	2,004,169	2,787,014	3,852,292	3,752,088	(100,204)	(2.6)%

SUPPLIES AND CONTRACTUAL SERVICES						
4200 Community Promotion, Grant/ Loan	123,785	78,585	0	0	0	0.0 %
4210 Department Allocations	27,810	23,594	25,422	13,181	(12,241)	(48.2)%
4220 Supplies	9,492	12,714	15,000	14,750	(250)	(1.7)%

* For FY 2020-21, costs for staff for three functions in the Engineering Department totaling \$1,433,857, which directly support the Capital Improvement Program, are charged to the capital projects as follows: Engineering Administration (\$196,011); Design & Construction (\$965,288); and Traffic Engineering (\$272,558). These costs are not included in this presentation.

DOLLARS BY CATEGORY*		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
4230	Services	1,733,342	2,281,273	480,500	582,400	101,900	21.2 %
4240	Repair & Maintenance	0	15,685	0	0	0	0.0 %
4500	Training, Travel, & Memberships	1,290	5,875	13,300	12,350	(950)	(7.1)%
sub-total		1,895,719	2,417,726	534,222	622,681	88,459	16.6 %
TOTAL		\$3,899,888	\$5,204,740	\$4,386,514	\$4,374,769	\$(11,745)	(0.3)%

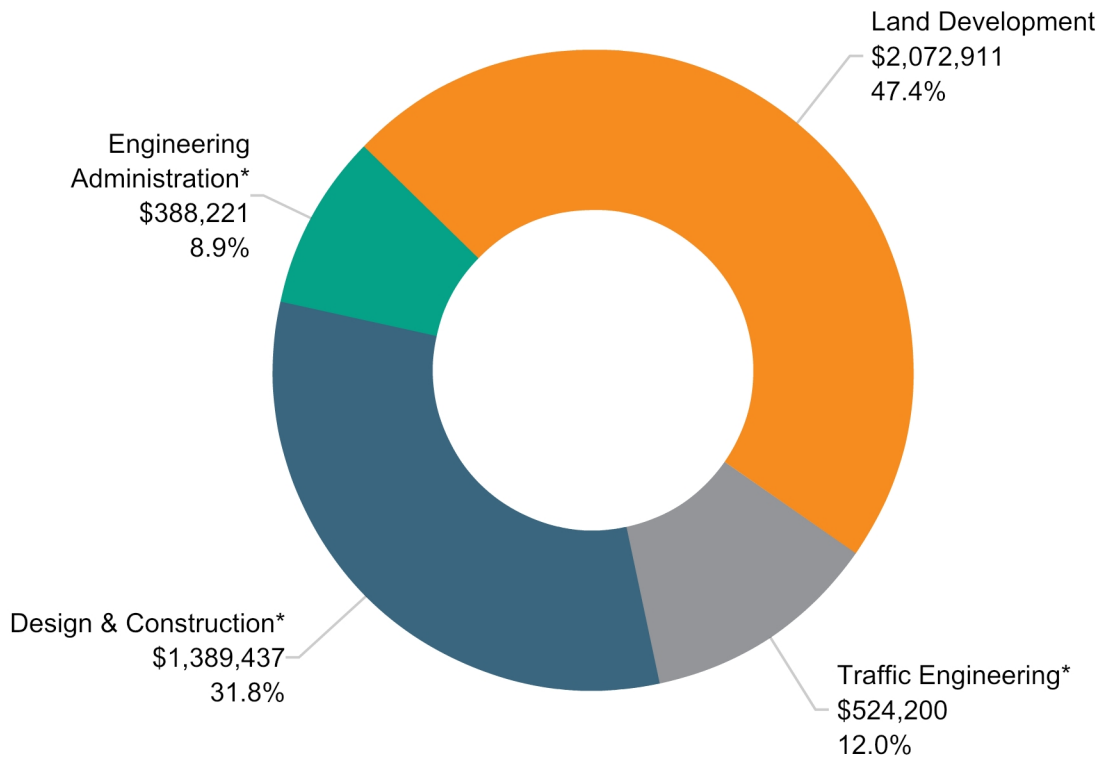
Staffing

POSITIONS BY FUNCTION	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Design & Construction	7.00	9.00	11.00	11.00	0.00
Engineering Administration	2.00	2.00	2.00	2.00	0.00
Land Development	7.00	9.00	9.00	8.00	(1.00)
Traffic Engineering	2.00	3.00	3.00	3.00	0.00
TOTAL	18.00	23.00	25.00	24.00	(1.00)

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Administrative Analyst II	1.00	1.00	1.00	1.00	0.00
Assistant City Engineer	1.00	0.00	0.00	0.00	0.00
Assistant Civil Engineer	2.00	2.00	5.00	4.00	(1.00)
Associate Civil Engineer	5.00	7.00	7.00	8.00	1.00
CIP Manager	1.00	1.00	1.00	1.00	0.00
Engineering Aide	2.00	2.00	2.00	2.00	0.00
Engineering Director/City Eng	1.00	1.00	1.00	1.00	0.00
Executive Assistant	0.00	0.00	1.00	1.00	0.00
Executive Secretary	0.00	1.00	0.00	0.00	0.00
GIS Technician	0.00	0.00	1.00	0.00	(1.00)
Junior Civil Engineer	0.00	2.00	1.00	1.00	0.00
Principal Civil Engineer	0.00	1.00	1.00	1.00	0.00
Public Information Specialist	1.00	1.00	0.00	0.00	0.00
Public Works Inspector	1.00	2.00	2.00	2.00	0.00
Secretary	1.00	0.00	0.00	0.00	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Senior Public Works Inspector	1.00	1.00	1.00	1.00	0.00
Traffic Engineer	1.00	1.00	0.00	0.00	0.00
Transportation and Traffic Mgr	0.00	0.00	1.00	1.00	0.00
Total Positions	18.00	23.00	25.00	24.00	(1.00)

Expenditures by Function







* For FY 2020-21, costs for staff for three functions in the Engineering Department totaling \$1,433,857, which directly support the Capital Improvement Program, are charged to the capital projects as follows: Engineering Administration (\$196,011); Design & Construction (\$965,288); and Traffic Engineering (\$272,558). These costs are not included in this presentation.

Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	25.00	\$3,998,574	\$387,940	\$4,386,514
One-Time Prior Year Budget Adjustments				
Geographical Information System Consultant Services		(100,000)		(100,000)
One-Time Prior Year Budget Adjustments	0.00	(100,000)	0	(100,000)
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		318,423	(265,868)	52,555
Transfer 1.0 GIS Technician to IT Department	(1.00)	(147,088)	(36,772)	(183,860)
Salary and Benefits (Reclassification of Assistant Engineer to Associate Engineer)		31,102		31,102
Equipment Replacement Amortization		(12,242)		(12,242)
Memberships and Dues		(950)		(950)
Supplies			(250)	(250)
Advertising			900	900
Adjustments to Costs of Ongoing Activities	(1.00)	189,245	(301,990)	(112,745)
Total FY2020-21 Base Budget	24.00	4,087,819	85,950	4,173,769
Service Level Changes				
USA Locate Contractual Services		67,000	134,000	201,000
Total Service Level Changes	0.00	67,000	134,000	201,000
Total FY 2020-21 Budget	24.00	\$4,154,819	\$219,950	\$4,374,769

Service Level Changes

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures	
1. USA Locate Contractual Services	0.00	\$67,000	\$134,000	\$201,000	
	<p>This action funds ongoing contractual services for locating and accurately marking the location of the City's underground utility facilities on the surface of the ground upon request prior to excavations by contractors as required by State law. This is a health and safety requirement with the purpose of preventing contractors from damaging underground infrastructure. Following several high profile incidents such as the San Bruno gas explosion, the State has increased the requirements for locating of underground utilities, and there are significant penalties for non-compliance. The City has to respond to calls for the Water, Sewer, Stormwater and Fiberoptic undergrounded utilities.</p> <p>Public Works has provided USA locating services for City utilities, however, Public Works staff are not trained and certified in accordance with State law to perform utility locating, and the City does not have the required equipment. Public Works staff are not able to handle the volume of USA requests received per day (20) where it is required that a utility respond, locate, and mark out utilities with two working days and in no case beyond ten days.</p>				
Performance Results:	  				
This action will ensure timely compliance with State law requirements performed by a certified contractor.					
Impact if funding is not approved					
If funding is not provided to the Engineering Department for the contracting USA utility locating services, the Engineering Department will not be able to oversee this service. The responsibility for utility locating will remain with the Public Works Department, the services may not be performed in compliance with State law unless dedicated staff will be added and trained, and the City may be liable for the costly damages for not responding to utility request, and utility no-marks and mismarks.					
Total Service Level Changes		0.00	\$67,000	\$134,000	\$201,000



Finance

Finance Director: Walter C. Rossmann

Mission Statement

The Finance Department is dedicated to providing accurate, credible and timely financial information to support sound fiscal management and professional customer service to Milpitas residents, the business community, the City Council, and internal staff.

Description

Finance provides a key service role to all departments, the City Council, and the public and manages the City's financial operations in accordance with industry standards and established fiscal policies. Prudent fiscal stewardship, customer service, compliance, strategic planning, transparency and effective financial reporting are key elements of its mission. The department is organized into three functions: Administration, Operations, and Fiscal Services - Utilities; each provides essential customer services and support to City departments, the City Council, and the public.

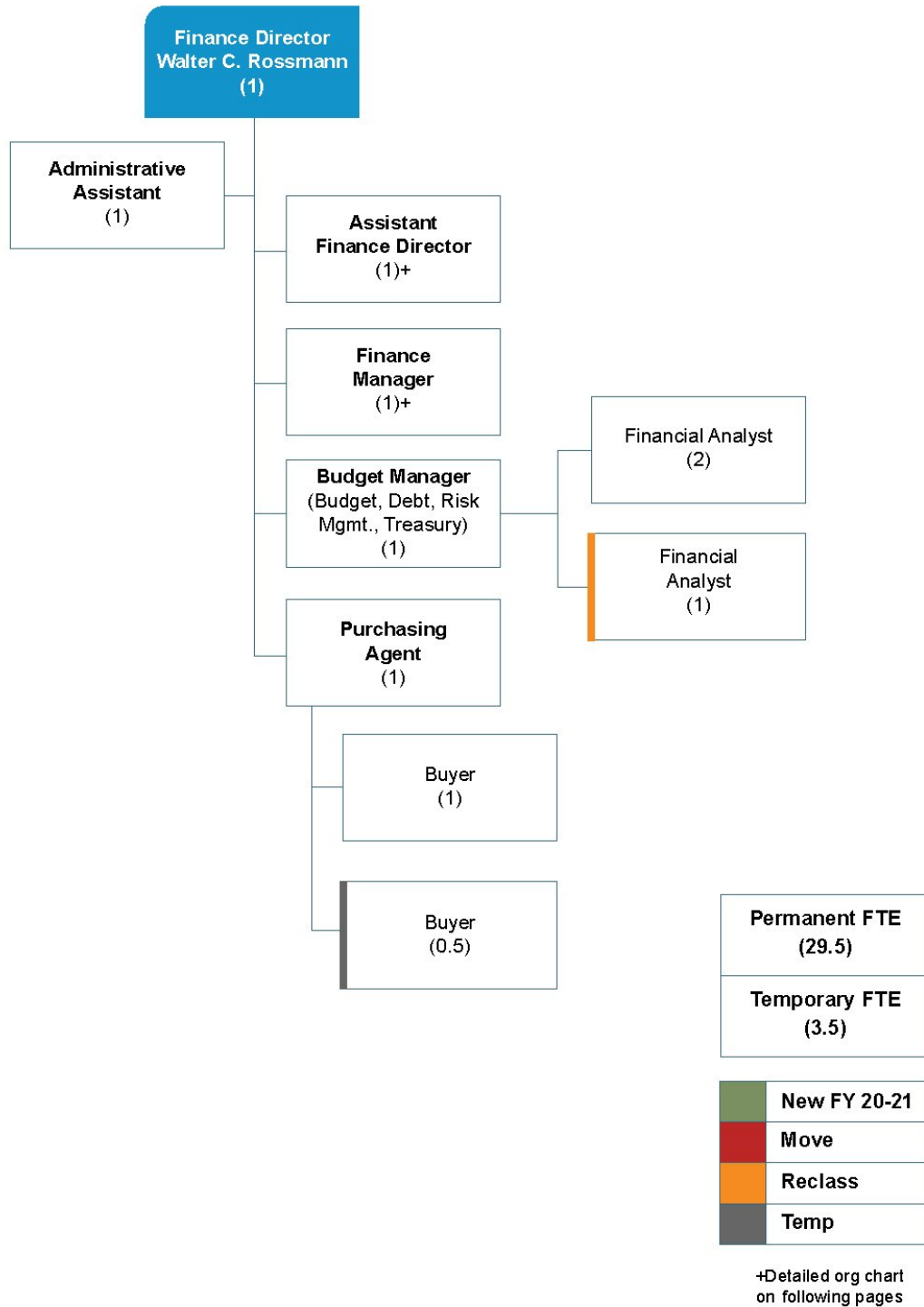


Services

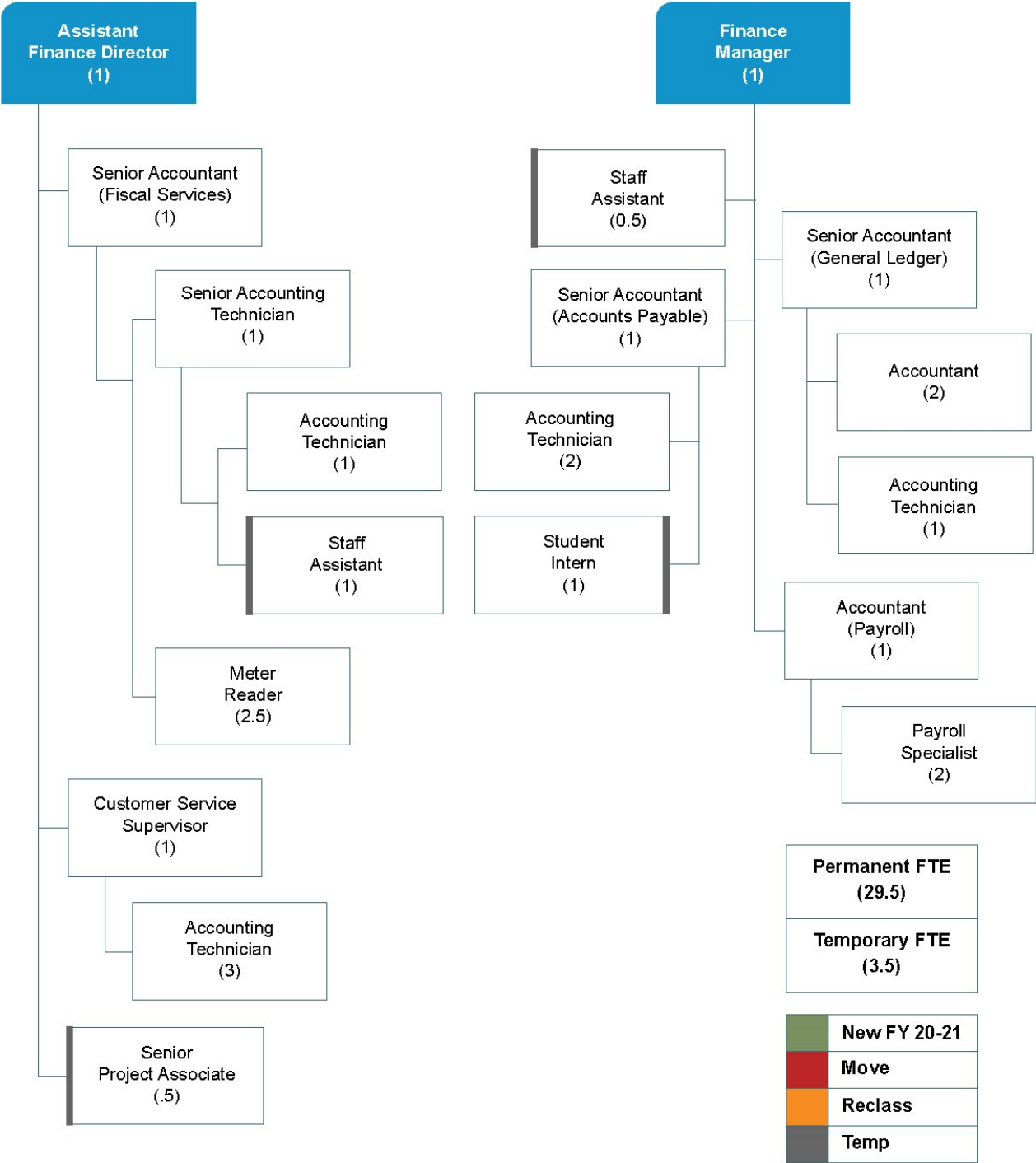
- Acts as an adviser to the City Manager, City Council and Departments in the areas of financial planning and fiscal analysis. Provides leadership in the development and implementation of sound financial policies for the City.
- Develops the Ten-Year General Fund Financial Forecast.
- Develops the annual Operating Budget on behalf of the City Manager including projection of revenues and expenditures; coordinates the preparation and publication of the Operating Budget document; and makes the annual budget available through its transparency tool.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board (GASB).
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and fixed assets and files required grant reports with local, state, and federal agencies.
- Provides operating departments with timely and clear financial performance reports to assist them in their daily decision making.
- Monitors all the capital projects that have external funding sources to ensure collection of funds.
- Collects and records all City revenues including property tax, sales tax, various service fees, utility payments, business licenses, franchise fees and transient occupancy taxes.
- Provides customer service to the City's utility customers, including billing, new account setups, inquiries and meter readings.
- Procures goods and services at competitive prices and in compliance with Federal and State laws and City ordinances on behalf of City departments.
- Invests the City's idle cash in accordance with the Council approved Investment Policy to ensure that there is sufficient cash available to meet operating needs while maintaining safety, liquidity and competitive returns on the investment portfolio.
- Manages the City's and Successor Agency's outstanding bonds by ensuring timely payments, performance of arbitrage calculations and filing of required continual disclosure reports.
- Manages all the tort claims against the City and represents the City in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) Board.
- Processes all the payments for goods and services timely and accurately.
- Issues payroll checks and benefits payments bi-weekly and files all the required Federal and State payroll tax withholding reports.
- Processes outgoing mail and distributing distributes incoming mail citywide.





Finance Department



Finance Department



		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
Accomplishments								
1.	Secured \$20 million in Water and \$35 million in Sewer Revenue Bonds for Critical Infrastructure projects at competitive interest rates		✓			✓		✓
2.	Implemented SB 998 - Water Shut-Off Protection Act					✓	✓	✓
3.	Implemented various systems (Financial Management System upgrade; contract management database for Purchasing contracts; Budget System)	✓	✓	✓	✓	✓	✓	✓
4.	Continued to review and update finance related Standard Operating Procedures							✓
5.	Developed and Published a Ten-Year General Fund Financial Forecast							✓
6.	Launched the Budget Transparency Tool on the City's website							✓
7.	Published the first user-friendly Adopted Budget-in-Brief document							✓
Initiatives								
1.	Manage the issuance of \$13 million in Lease Revenue Bonds for the construction of Fire Station #2 to achieve an outstanding credit rating				✓			✓
2.	Implement a Loss Prevention Program including analysis of department loss and related claims experience	✓		✓		✓	✓	✓
3.	Continue to review and update finance related standard operating procedures							✓
4.	Implement electronic contract approval process	✓			✓			✓
5.	Update procurement rules, regulations, and procedures	✓	✓	✓	✓	✓	✓	✓
6.	Establish a Section 115 Pension Trust							✓
7.	Update Finance desk procedures							✓
8.	Support Public Works with the implementation of the Automated Meter Infrastructure project		✓			✓		✓

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Consecutive years receiving award for Distinguished Budget Presentation	17	18	19	19	20
Consecutive years receiving award for Excellence in Financial Reporting	24	25	26	26	27
Tort Claims Resolved within 180 Days	96%	76%	96%	56%	65%
Average number of days from approved invoice received to check issuance	5	5	5	4	4
Customers rating service as good or excellent *	N/A	N/A	70%	71%	75%

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Number of Contracts Processed	234	217	285	200	210
Number of Vendor Invoices Paid	19,570	22,050	23,000	21,500	22,000
Number of Utility Bills Issued	91,931	89,904	92,000	92,500	92,500
Number of Regulatory Reports Submitted to Appropriate Agencies	74	82	74	68	70
Number of Payroll Checks Paid	12,503	12,491	13,264	14,900	14,500

* 2019 Customer Service Survey

Budget Summary

DOLLARS BY FUNCTION	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
Finance Administration	\$1,484,987	\$1,747,015	\$2,412,507	\$2,067,474	\$(345,033)	(14.3)%
Finance Operations	2,983,516	3,198,784	3,684,924	2,155,131	(1,529,793)	(41.5)%
Fiscal Services-Utilities	176	0	0	1,899,203	1,899,203	0.0 %
TOTAL	\$4,468,679	\$4,945,799	\$6,097,431	\$6,121,808	\$24,377	0.4 %

DOLLARS BY CATEGORY	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES						
4111 Permanent Salaries	\$2,083,815	\$2,214,851	\$2,881,277	\$3,201,315	\$320,038	11.1 %
4112 Temporary Salaries	218,534	206,160	163,144	202,246	39,102	24.0 %
4113 Overtime	2,948	1,740	15,000	15,000	0	0.0 %
4121 Allowances	4,173	3,512	0	8,200	8,200	0.0 %
4124 Leave Cashout	47,428	104,485	0	0	0	0.0 %
4125 Accrued Leave	3,668	26,688	0	0	0	0.0 %
4131 PERS	697,310	851,011	1,218,842	1,019,064	(199,778)	(16.4)%
4132 Group Insurance	406,744	451,367	625,350	551,136	(74,214)	(11.9)%
4133 Medicare	34,193	37,046	44,880	49,527	4,647	10.4 %
4135 Worker's Compensation	14,529	10,661	16,162	17,976	1,814	11.2 %
4138 Deferred Comp-Employer	18,348	18,748	23,850	24,300	450	1.9 %
4139 PARS	1,759	1,495	1,381	3,089	1,708	123.7 %
4146 Short Term Disability	0	0	6,018	2,478	(3,540)	(58.8)%
4161 Retiree Medical Reserve	115,723	130,032	142,516	147,161	4,645	3.3 %
sub-total	3,649,172	4,057,796	5,138,420	5,241,492	103,072	2.0 %

SUPPLIES AND CONTRACTUAL SERVICES						
4210 Department Allocations	23,619	15,769	19,166	18,450	(716)	(3.7)%
4220 Supplies	77,707	68,018	121,000	126,850	5,850	4.8 %
4230 Services	587,925	766,239	746,580	652,451	(94,129)	(12.6)%
4240 Repair & Maintenance	2,738	20,770	7,500	47,500	40,000	533.3 %
4500 Training, Travel, & Memberships	16,075	13,908	34,765	35,065	300	0.9 %
sub-total	708,064	884,704	929,011	880,316	(48,695)	(5.2)%

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
CAPITAL OUTLAY							
4870	Machinery and Equipment	111,032	0	0	0	0	0.0 %
4920	Machinery, Tools & Equipment	411	3,299	0	0	0	0.0 %
4930	Hydrants and Meters	0	0	30,000	0	(30,000)	(100.0)%
sub-total		111,443	3,299	30,000	0	(30,000)	(100.0)%
TOTAL		\$4,468,679	\$4,945,799	\$6,097,431	\$6,121,808	\$24,377	0.4 %

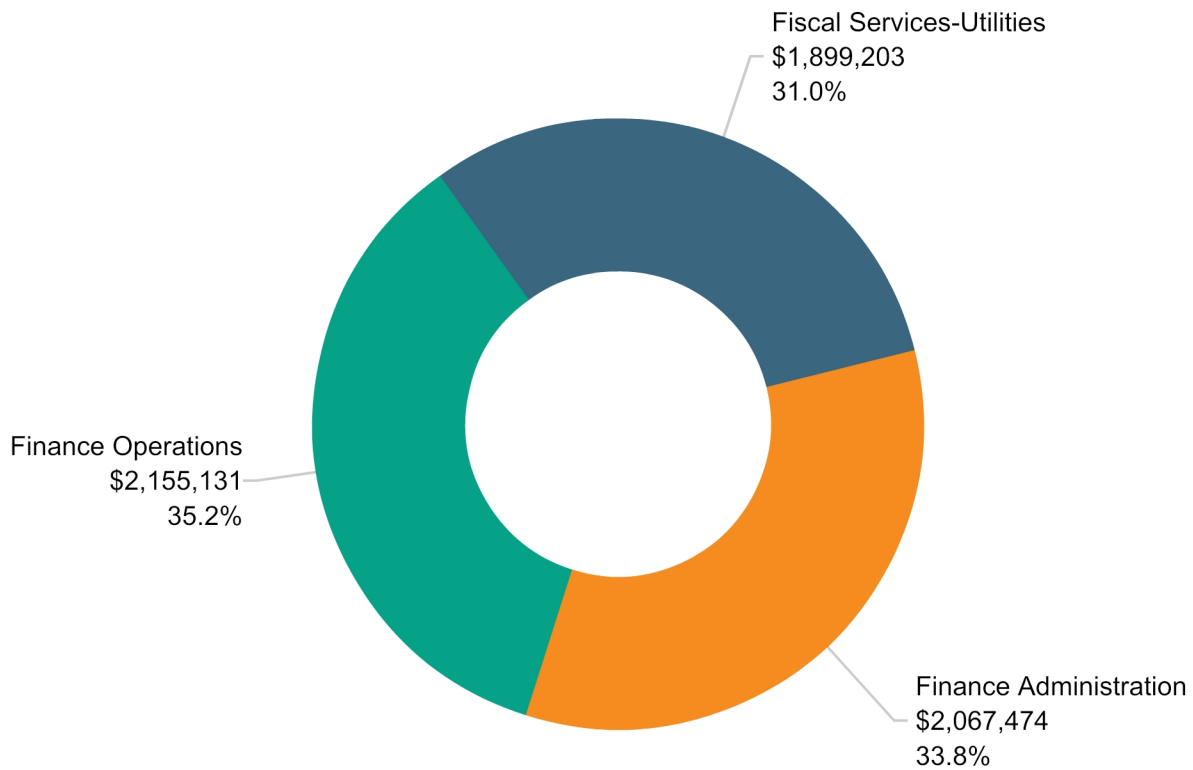
Staffing

POSITIONS BY FUNCTION	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Finance Administration	6.00	8.00	10.00	9.00	(1.00)
Finance Operations	18.50	19.50	19.50	11.00	(8.50)
Fiscal Services-Utilities	0.00	0.00	0.00	9.50	9.50
TOTAL	24.50	27.50	29.50	29.50	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Accountant	2.00	2.00	2.00	2.00	0.00
Accounting Technician	1.00	1.00	0.00	0.00	0.00
Accounting Technician I/II	0.00	0.00	7.00	7.00	0.00
Administrative Assistant	0.00	0.00	1.00	1.00	0.00
Assistant Finance Director	1.00	1.00	1.00	1.00	0.00
Budget Manager	1.00	1.00	1.00	1.00	0.00
Buyer	1.00	1.00	1.00	1.00	0.00
Customer Services Supervisor	0.00	1.00	1.00	1.00	0.00
Director of Finance	1.00	1.00	1.00	1.00	0.00
Finance Manager	0.00	0.00	1.00	1.00	0.00
Finance Technician	0.00	0.00	1.00	0.00	(1.00)
Financial Analyst	0.00	2.00	2.00	3.00	1.00
Fiscal Assistant I	1.00	3.00	0.00	0.00	0.00
Fiscal Assistant II	9.00	7.00	0.00	0.00	0.00
Payroll Specialist	0.00	0.00	2.00	2.00	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Purchasing Agent	1.00	1.00	1.00	1.00	0.00
Senior Accountant	4.00	4.00	4.00	4.00	0.00
Senior Accounting Technician	0.00	0.00	1.00	1.00	0.00
Water Meter Reader II	2.50	2.50	2.50	2.50	0.00
Total Positions	24.50	27.50	29.50	29.50	0.00






Expenditures by Function







Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	29.50	\$4,367,077	\$1,730,354	\$6,097,431
One-Time Prior Year Budget Adjustments				
Standard Operating Procedures Update		(150,000)	0	(150,000)
Investment Portfolio Management		(150,000)		(150,000)
One-Time Prior Year Budget Adjustments	0.00	(300,000)	0	(300,000)
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		73,846	(15,872)	57,974
Budget Manager Salary Range Adjustment (Council Approval 02/18/2020)		25,537		25,537
Customer Services Supervisor Salary Range Adjustment (Council Approval 02/18/2020)		7,532		7,532
Equipment Replacement Amortization			(716)	(716)
Investment Portfolio Management offset with revenue (Council Approved 3/3/2020)		150,000		150,000
Contractual Service Consultants (Property Tax \$15,000; Sales Tax Audit \$6,000, offset with revenue; Transient Occupancy Tax Audit \$18,000, offset with revenue)		39,000		39,000
Contractual Services (National Meter \$7,000, Bill Processing \$4,900 Cayenta Utility \$2,000)			13,900	13,900
Water Meter Calibration Contractual Services			10,000	10,000
Postage Increase for Utility Bills			6,150	6,150
Adjustments to Costs of Ongoing Activities	0.00	295,915	13,462	309,377
Total FY2020-21 Base Budget	29.50	4,362,992	1,743,816	6,106,808
Service Level Changes				
Minimum Wage and Wage Theft Ordinance Compliance Contractual Services		15,000		15,000
Risk Management Staffing	0.00	0	0	0
Total Service Level Changes	0.00	15,000	0	15,000
Total FY 2020-21 Budget	29.50	\$4,377,992	\$1,743,816	\$6,121,808

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1.	Minimum Wage and Wage Theft Ordinance Compliance Contractual Services	0.00	\$15,000	\$0	\$15,000
	<p>This action adds contractual services for the compliance management of the City's Minimum Wage Ordinance and Wage Theft Policy. On February 21, 2017, the Milpitas City Council adopted Ordinance No. 292 to establish a city-wide minimum wage and on March 20, 2018, Milpitas City Council adopted Ordinance No. 295 establishing a City-wide Wage Theft Policy. For both ordinances, if staff receives a complaint of non-compliance, it requires staff to investigate the complaint including review of payroll and other records, as applicable; work with two or more parties to resolve the case, and potentially seek court action in coordination with the City Attorney's Office or suspend a business' City of Milpitas Business license. Additionally, in support of the program various administrative tasks need to be completed annually. Staff does not have the expertise in investigating and resolving complaints and administrative processes were never developed due to lack of staff capacity.</p> <p>This action will fund contractual services for the City of San Jose's Office of Equality Assurance (OEA) to manage the City's programs including annual updates of the minimum wage, responding to written and telephonic inquiries, and investigating all aspects of complaints received. The City of Milpitas will still be responsible for enforcement actions, if any. The contract provided by the City of San Jose will be for an initial contract term of three years with two one-year options for renewal. It is anticipated that more than ten cities will contract with the City of San Jose. During the last few years, as cities in the South Bay and the Peninsula adopted minimum wage ordinances, they have successfully contracted with OEA for handling wage related complaints.</p>				
Performance Results:		   			
		By contracting with OEA for ensuring compliance with the City's Minimum Wage and Wage Theft ordinances, complaints will be handled expeditiously and consistent with the City's ordinance and best practices.			
Impact if funding is not approved					
		If this action is not funded, limited staff capacity would have to be utilized to establish minimum wage and wage theft compliance programs. Establishing these programs and investigate potential complaints will reduce the Finance Department's ability to implement Phase II of the Budget System; document annual budget process and system procedures; and prepare the organization for future fiscal year impacts related to the COVID-19 Pandemic-caused recession.			

2.	Risk Management Staffing	0.00	\$0	\$0	\$0
	<p>This net zero action adds 1.0 Financial Analyst position and deletes 1.0 vacant Finance Technician position to establish a robust Risk Management function consistent with a Council referral from the January 28 Preliminary Budget Study Session offset with reductions in contractual services. At the FY 2020-21 Preliminary Budget Study Session the Council advocated for a more robust Risk Management Program.</p> <p>The Finance Technician position was responsible for daily investment of the pooled cash portfolio, wire transfers, cash management, and claims processing at a transactional level. The duties of this position do not provide for effectively researching and analyzing investments, cash flow needs, or claims analysis, which are duties typically assigned to a Financial Analyst. The Financial Analyst position will be tasked primarily with the development and operation of a robust citywide Risk Management Program including but not limited to analysis of historical claims data, identification of training and policies to minimize reoccurrence of historical claims experience in the future, and liaison with PLAN JPA for integration of risk management best practices into City operations and with Beazley Risk Management, the City's Cybersecurity Insurance provider, for continuously strengthening the City's cybersecurity practices.</p> <p>In fall 2019, the City issued \$55 million in Water and Sewer revenue bonds and is scheduled to issue \$13 million in lease revenue bonds for the Fire Station #2 Rehabilitation in September 2020. In March 2020, the City Council approved a contract with Chandler Asset Management for investment services to manage the City's pooled cash portfolio. This position will also be responsible for managing the City's debt portfolio and oversee the contract with Chandler Asset Management.</p>				
	Performance Results:	  			
	<p>The addition of 1.0 Financial Analyst position and deletion of 1.0 vacant Finance Technician position is expected to result in reduced claims occurrence and cost savings. As presented to the Finance Subcommittee at its March 16 meeting, during the last five fiscal years, the City incurred \$2.2 million in claims cost for 119 claims. Additionally, it will provide for the appropriate skill set to manage the City's Risk, Debt, and Investment programs.</p>				
	<p>Impact if funding is not approved</p> <p>If this action is not approved, staff will fill the vacant Finance Technician position. Consistent with its classification, this position will focus on the transactional duties of claims processing and debt management. The minimally prudent oversight of the City's Risk, Debt, and Investment programs will fall to existing management positions; however, improvements to these programs will not take place.</p>				
Total Service Level Changes		0.00	\$15,000	\$0	\$15,000

Fire

Fire Chief: Brian Sherrard

Mission Statement

The Milpitas Fire Department is driven by the vision to provide outstanding service to the community through the core values of our mission statement. "The preservation of life, property, and the environment within the community is the reason for our existence".

The core elements of the Fire Department's budget support growth within the organization to ensure mission, succession planning for organizational stability, and the ability to be flexible with emergency response in the community.

Description

The Milpitas Fire Department is committed to providing comprehensive emergency response, fire protection, emergency medical services, disaster preparedness, community education, risk reduction, and other related services in an efficient, effective, and caring manner to the Milpitas community. The Fire Department is organized into six functions as follows: Fire Administration; Operations Division, EMS Transport Services, Office of Emergency Management, Fire Prevention, and Fire Prevention Administration.



Services

- Fire Department Administration: Directs the department in field operations, budget and fiscal policy, administrative systems and procedures, employee training and development, and labor and management issues. Fire Administration is tasked with strategic planning for the implementation of fire service best practices and ensuring response readiness for the community.
- Fire Department Operations Division: Responds to emergency incidents involving fires, medical emergencies, vehicle accidents, specialized rescues, hazardous material releases, and other risks affecting the health and welfare of the community. Personnel staff six apparatus at four stations strategically located for quick response throughout the City. Specialized actions within the division include patient transport rescue ambulance, urban search and rescue, hazardous materials response, high density housing response, and specialized response to the transit area. The Operations Division is focused on emergency response.



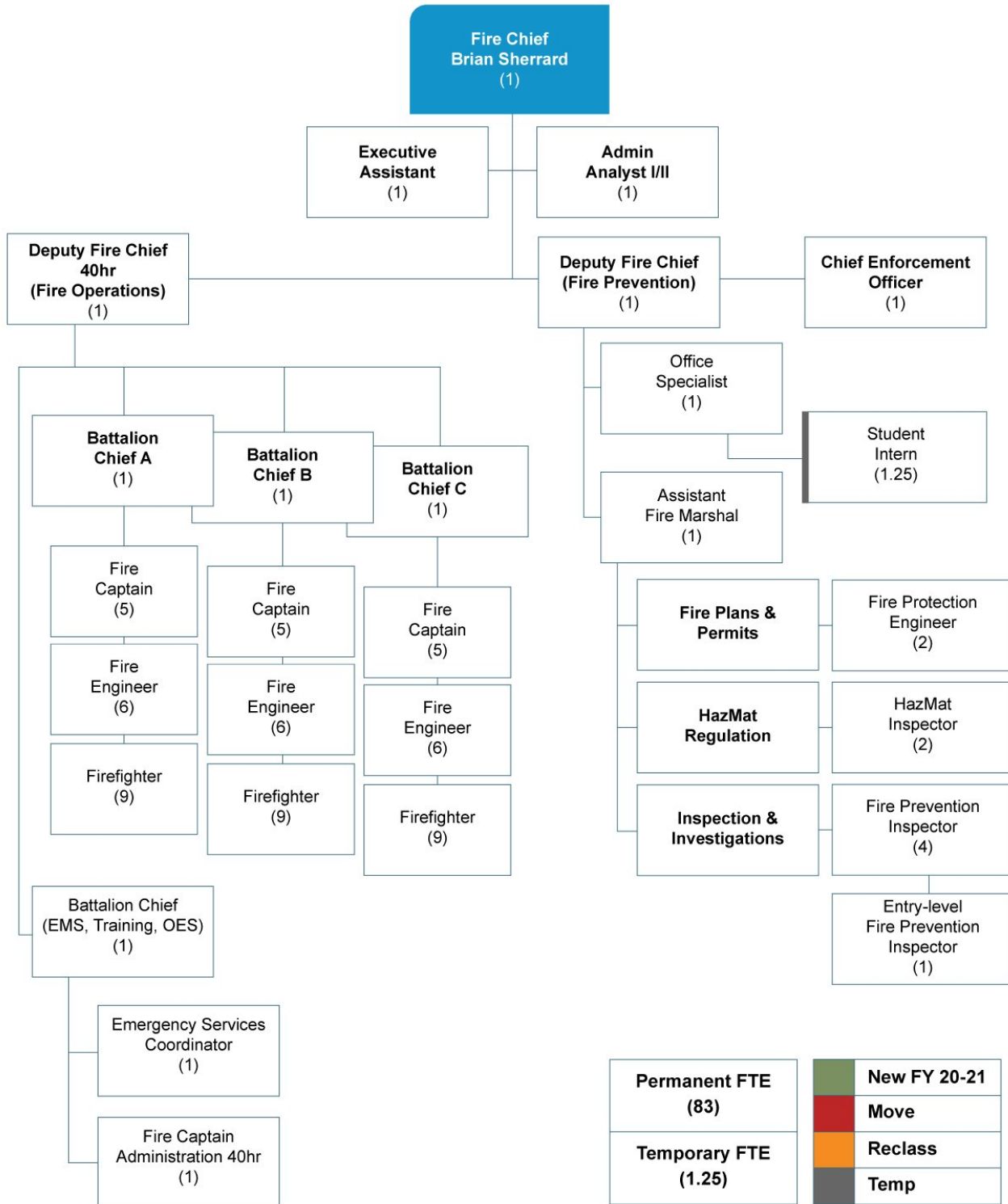
- Fire Department Training, Emergency Medical Services, and Safety Division: Directs firefighter training and succession planning. Operates drill grounds and training curricula to ensure readiness for all-risk response. Oversees compliance with paramedic and emergency medical technician licenses and certifications, State and local reporting and








quality assurance requirements, and cooperative contracts with the ambulance service provider. Ensures the readiness of the patient transport rescue ambulance. Provides safety programs to reduce the firefighter injury rate and risks.








- The Office of Emergency Services(OES) implements disaster preparedness and response programs, outreach and education, and regional collaboration planning. Ensures citywide disaster readiness by performing Emergency Operations Center training and maintenance, community volunteer training, and care-and-shelter cache maintenance. Provides risk reduction efforts for the community by coordinating with allied agencies and non-governmental organizations.
- Fire Prevention Division: The Fire Prevention Division plans, organizes and implements all Fire Department prevention and inspection programs, including fire and arson investigations, vegetation management, hazard abatement, code enforcement, public fire safety education, plan checking, and evaluation and development of codes and ordinances. Provides fire cause and origin investigations. Conducts inspections related to fire code compliance for new construction and high-risk occupancies.



Fire Department



		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
	Accomplishments							
1.	Maintain emergency response time (call to arrival) less than 7:30 min, 90% of the time.	✓	✓	✓	✓	✓	✓	
2.	Successful deployment of Tiller Drawn Apparatus.	✓			✓	✓		
3.	Maintain service delivery to meet all major project and construction schedules.	✓	✓	✓	✓	✓	✓	✓
4.	Completed Fire Department Standards of Cover assessment to analyze risk, service delivery, deployment, and performance of resources.	✓	✓	✓	✓	✓	✓	✓
5.	Completed an organizational assessment of the Citywide Emergency Management Program.	✓	✓	✓		✓	✓	✓
6.	Respond to 100% of public education requests to ensure that prevention, preparedness and education remain high priorities.	✓				✓	✓	✓

		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
	Initiatives							
1.	Maintain emergency response time (call to arrival) less than 7:30 min, 90% of the time.	✓	✓	✓	✓	✓	✓	
2.	Develop methods to streamline plan review and inspection processes in order to address heavy workload demands.	✓		✓	✓	✓		✓
3.	Enhance the training program for City EOC Staff and increase drill frequency.	✓		✓	✓	✓	✓	
4.	Continue implementation of ambulance service delivery model.	✓					✓	✓
5.	Respond to 100% of public education requests to ensure that prevention, preparedness and education remain high priorities.	✓				✓	✓	✓
6.	Hire and train authorized personnel vacancies in order to reduce hazardous materials plan review turnaround times and quicker on-boarding of all fire inspection requests.	✓		✓	✓	✓		✓
7.	Improve records management system analytics for tracking emergency response.	✓						✓
8.	Collaborate and support Fire Station Two construction project.	✓	✓	✓	✓	✓	✓	

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Total response time (call to arrival) to emergency calls (minutes) *	7:14	N/A*	7:30	7:15	7:30
State mandated fire occupancy inspections completed annually	1,024	1,086	100%	1,096	100%
Effective Response Force (First Alarm) for assembling a complete response on all structure fires (minutes)	11:04	N/A*	11:30	11:15	11:30

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Fire service calls	5,384	5,324	5,600	5,600	5,800
Training Hours / Certifications to serve in higher rank	13,710 / 20	14,690 / 20	14,400 / 20	14,400 / 21	14,400 / 24
Total Engine Company Inspections	2,026	2,038	100%	1,984	100%
Total Plan Review / Inspections	1,700 / 7,577	1,600 / 7,824	100%	1,575 / 7,772	100%
Public Education Events (attendees)	N/A	3,181	4,000	4,000	4,200
Apparatus Response Summary (incidents)	8,015	7,870	8,300	8,300	8,500

* From time of 911 call received to arrival of fire resources cannot be tracked in the Records Management System due to 911 call receipt time reporting failure

Budget Summary

DOLLARS BY FUNCTION	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
EMS Transport Services	\$0	\$0	\$0	\$68,627	\$68,627	0.0 %
Fire Administration	769,376	1,043,334	1,929,614	2,063,653	134,039	6.9 %
Fire Prevention	1,428,243	1,604,470	2,706,194	2,788,786	82,592	3.1 %
Fire Prevention Administration	863,729	1,273,746	1,281,646	1,443,754	162,108	12.6 %
Office of Emergency Management	242,126	253,543	275,946	246,886	(29,060)	(10.5)%
Operations Division	17,747,389	19,462,115	20,447,566	21,684,586	1,237,020	6.0 %
TOTAL	\$21,050,863	\$23,637,208	\$26,640,966	\$28,296,292	\$1,655,326	6.2 %

DOLLARS BY CATEGORY	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES						
4111 Permanent Salaries	\$9,580,003	\$10,590,927	\$12,210,216	\$13,568,557	\$1,358,341	11.1 %
4112 Temporary Salaries	42,226	52,444	36,071	61,578	25,507	70.7 %
4113 Overtime	1,865,739	1,644,495	1,849,512	1,615,257	(234,255)	(12.7)%
4114 Reimbursable Overtime	227,732	553,411	0	0	0	0.0 %
4121 Allowances	60,960	65,170	73,455	80,328	6,873	9.4 %
4124 Leave Cashout	646,542	559,404	0	0	0	0.0 %
4131 PERS	4,003,094	4,883,424	6,124,668	6,600,509	475,841	7.8 %
4132 Group Insurance	1,560,955	1,676,663	1,663,647	1,919,484	255,837	15.4 %
4133 Medicare	170,253	192,165	179,079	198,802	19,723	11.0 %
4135 Worker's Compensation	320,615	287,717	550,377	610,866	60,489	11.0 %
4138 Deferred Comp-Employer	42,925	43,223	50,175	52,500	2,325	4.6 %
4139 PARS	266	285	939	924	(15)	(1.6)%
4146 Short Term Disability	0	0	15,657	756	(14,901)	(95.2)%
4161 Retiree Medical Reserve	470,324	472,971	568,505	750,211	181,706	32.0 %
sub-total	18,991,634	21,022,299	23,322,301	25,459,772	2,137,471	9.2 %

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4210	Department Allocations	1,341,081	1,458,989	1,660,850	1,542,518	(118,332)	(7.1)%
4220	Supplies	461,792	674,141	776,340	619,100	(157,240)	(20.3)%
4230	Services	150,221	153,352	457,800	376,827	(80,973)	(17.7)%
4240	Repair & Maintenance	4,093	8,411	0	0	0	0.0 %
4500	Training, Travel, & Memberships	65,132	158,755	313,675	233,075	(80,600)	(25.7)%
sub-total		2,022,319	2,453,648	3,208,665	2,771,520	(437,145)	(13.6)%
CAPITAL OUTLAY							
4850	Vehicles	11,835	120,082	0	0	0	0.0 %
4870	Machinery and Equipment	25,068	41,179	110,000	65,000	(45,000)	(40.9)%
4920	Machinery, Tools & Equipment	7	0	0	0	0	0.0 %
sub-total		36,910	161,261	110,000	65,000	(45,000)	(40.9)%
TOTAL		\$21,050,863	\$23,637,208	\$26,640,966	\$28,296,292	\$1,655,326	6.2 %

Staffing

POSITIONS BY FUNCTION	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Fire Administration	2.00	3.00	6.00	6.00	0.00
Fire Prevention	7.00	6.00	9.00	9.00	0.00
Fire Prevention Administration	2.00	4.00	4.00	4.00	0.00
Office of Emergency Management	1.00	1.00	1.00	1.00	0.00
Operations Division*	56.00	55.00	57.00	63.00	6.00
TOTAL	68.00	69.00	77.00	83.00	6.00

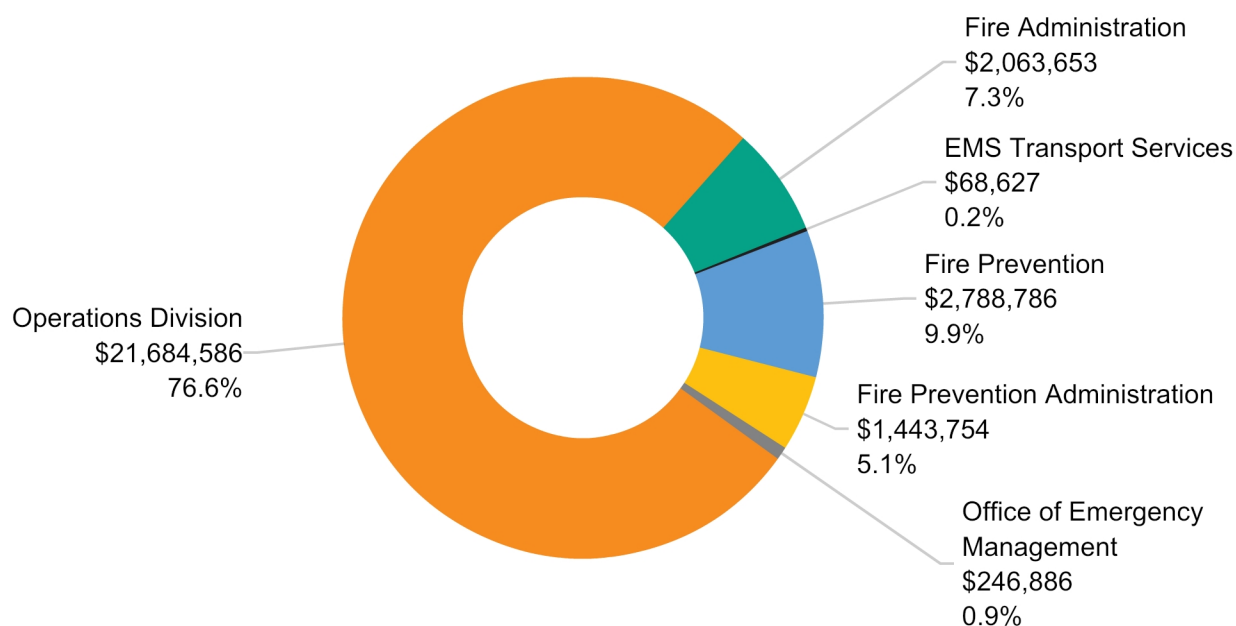
* On 10/01/2019, the City Council approved 6.0 Firefighter positions partially offset by a federal SAFER Grant.

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Administrative Analyst II	1.00	1.00	1.00	1.00	0.00
Assistant Fire Marshal	0.00	1.00	1.00	1.00	0.00
Chief Fire Enforcement Officer	1.00	1.00	1.00	1.00	0.00
Deputy Fire Chief	2.00	2.00	2.00	2.00	0.00
Emergency Svcs Coordinator	1.00	1.00	1.00	1.00	0.00
Entry Level Fire Inspector	0.00	0.00	1.00	1.00	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Executive Assistant	0.00	0.00	1.00	1.00	0.00
Fire Battalion Chief	3.00	2.00	3.00	3.00	0.00
Fire Battalion Chief-40 hr	0.00	1.00	1.00	1.00	0.00
Fire Captain	15.00	15.00	15.00	15.00	0.00
Fire Captain - 40	1.00	1.00	1.00	1.00	0.00
Fire Chief	1.00	1.00	1.00	1.00	0.00
Fire Engineer	4.00	4.00	6.00	6.00	0.00
Fire Engineer-Paramedic	11.00	11.00	12.00	12.00	0.00
Fire Prevention Inspector	3.00	3.00	4.00	4.00	0.00
Fire Protection Engineer	1.00	1.00	2.00	2.00	0.00
Firefighter *	14.00	14.00	14.00	15.00	1.00
Firefighter/Paramedic *	7.00	7.00	7.00	12.00	5.00
Hazardous Materials Inspector	2.00	2.00	2.00	2.00	0.00
Office Specialist	1.00	1.00	1.00	1.00	0.00
Total Positions	68.00	69.00	77.00	83.00	6.00

* On 10/01/2019, the City Council approved 6.0 Firefighter positions partially offset by a federal SAFER Grant.




Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	77.00	\$26,640,966	\$0	\$26,640,966
One-Time Prior Year Budget Adjustments				
Overtime related to award of SAFER Grant		(375,688)	0	(375,688)
Initial set of Personal Protective Equipment for 6.0 Firefighters		(77,740)	0	(77,740)
One-Time Prior Year Budget Adjustments	0.00	(453,428)	0	(453,428)
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		1,197,327	0	1,197,327
6.0 Firefighters (Council Approval 10/01/2019; partially offset by SAFER Grant)	6.00	1,174,399	0	1,174,399
Overtime (Increase equivalent to negotiated MOU salary increases of 5% [July 2018], 4% [July 2019] and 4% [July 2020])		141,433	0	141,433
Equipment replacement amortization		(118,332)	0	(118,332)
Contractual Services Reallocation (Environmental Logistics [\$40,000] to Capital Improvement Project; BMI [\$16,000] to Permit Automation Fund)		(56,000)	16,000	(40,000)
Contractual Services for Emergency Medical Services (Stryker Gurney \$12,527, Wells Fargo \$3,500, UniFirst \$3,200 Advance Data Processing \$2,000)		21,227	0	21,227
Adjustments to Costs of Ongoing Activities	6.00	2,360,054	16,000	2,376,054
Total FY2020-21 Base Budget	83.00	28,547,592	16,000	28,563,592
Service Level Changes				
Non-Personnel Expenditure Reductions		(267,300)	0	(267,300)
Total Service Level Changes	0.00	(267,300)	0	(267,300)
Total FY 2020-21 Budget	83.00	\$28,280,292	\$16,000	\$28,296,292

Service Level Changes

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1. Non-Personnel Expenditure Reductions	0.00	\$(267,300)	\$0	\$(267,300)
<div></div> <p>This action reduces various non-personnel expenditures in the context of limited staff work capacity, historical spending, Covid-19 unknowns/risks, EMS needs, expected travel/training restrictions, and social distancing required for an extended period. Limited staff capacity is having a direct impact on the Fire Department’s ability to manage current projects as well as implement new service delivery models. Therefore, the department will be focusing on essential services and supporting the new ambulance service delivery initiative. The most significant reductions are to the travel and training budgets, including cuts in department training, truck academy training, heavy rescue training, and some EMS training. Some contractual services can be reduced, which will impact heavy rescue training, station maintenance, and health and wellness contracts. Public Education supplies will be reduced, which impacts the amount of materials that are handed out to our schools and during community outreach and education events. In terms of equipment reductions, those are being made to search and rescue, hazmat, and technical rescue programs. This will require the deferment of equipment replacement and potentially higher maintenance costs for existing equipment. It will also limit the ability to purchase new equipment which meets industry best practices. Finally, computer software for Fire/EMS analytics which the Fire Department is working to implement to advance data analysis capabilities over the coming year will see significant reductions. Regional fire departments are currently collaborating on a county-wide data analytics initiative, which will reduce the cost for the Fire Department. This anticipated cost reduction is included in this proposal.</p>				
Performance Results:	<div></div>			
This action may delay the deployment of projects.				
Impact if funding is not approved				
Not applicable.				
Total Service Level Changes	0.00	\$(267,300)	\$0	\$(267,300)

Human Resources

HR Director: Liz Brown

Mission Statement

The Human Resources Department is committed to: Providing excellent service to all customers; an inclusive work environment which reflects and supports the diversity of our community and our workforce; treating all individuals with fairness, dignity, and respect; continuous improvement in personal, professional, and leadership development; promoting a balance between work and family; and maintaining a friendly work environment.

Description

The Human Resources (HR) Department is a centralized full-service department that provides citywide services related to: recruitment, benefits administration, safety including a self-funded workers' compensation program and DOT Drug and Alcohol Testing, labor negotiations, administration of memorandum of understanding with the various employee groups, employee relations compliance with State and Federal employment laws, training and maintenance of personnel systems and files.



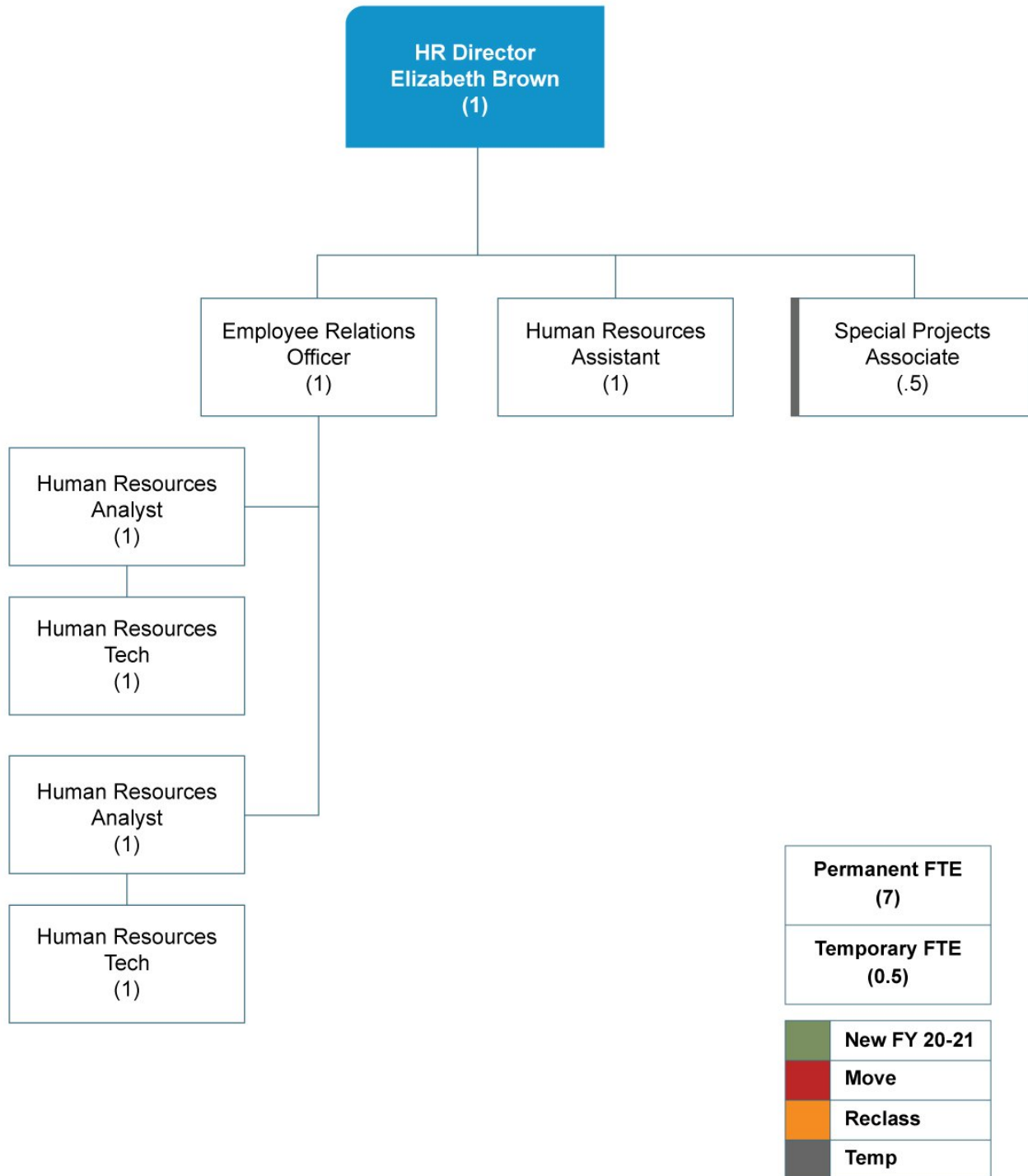
Services

- **Recruitment** - The HR Department is committed to finding high quality candidates in a timely manner. The HR department takes an aggressive approach in identifying and recruiting the most qualified candidates for City positions.
- **Benefits Administration** - The HR Department provides benefits administration to approximately 437.25 positions with an excellent benefit package that includes medical coverage through CalPERS Health. Additional benefits include Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Deferred Compensation (457 Plan), and the Employee Assistance Program (EAP).
- **Workers' Compensation** - The City is self-insured for workers' compensation contracted through a Third Party Administrator (TPA). Staff works closely with our TPA to ensure that all injured employees receive proper care for their work-related injuries and/or illness.
- **Labor Relations** - The HR Department negotiates on behalf of the City and oversees five separate bargaining units by administering, implementing and interpreting labor contracts and assisting in the resolution of grievances.
- **Employee Relations and Customer Service** - The HR Department treats all applicants, employees, retirees, and residents with dignity and respect. We strive to ensure equal employment opportunities and a workplace free of discrimination and harassment. We encourage positive employer- employee relations and maintain a high level of service to those we serve.
- **Training** - The HR Department manages and maintains training programs including mandatory trainings such as Harassment Prevention Training and Professional Development Opportunities which includes: Communication Skills for Teamwork, Managing Time and Energy, Mentorship, Building

Emotional Intelligence and Self Awareness (mindfulness), Business Writing and Setting Goals and Achieving Results.



Human Resources Department



Accomplishments		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Negotiated two (2) a four-year successor MOU's. One with Mid-Con and the other with Professional and Technical Group (Pro-Tech) both MOU's are for the period of July 1, 2019 to June 30, 2023							✓
2.	Conducted 162 recruitments in calendar year 2019	✓						✓
3.	Hired and Promoted 88 New Employees and 112 Seasonal in calendar year 2019.	✓						✓
4.	Reviewed, updated and revised 6 Standard Operating Procedures	✓						✓
5.	Maintained training for budgeted positions and Seasonal City employees on Harassment Prevention per California law	✓						✓
6.	Implemented both Insight an Applicant Tracking System and E-Forms	✓						✓
7.	Created and implemented a Professional Development/Leadership Academy (12 topics, 24 sessions)	✓						✓
8.	Created and implemented a Mentoring Program with the assistance of a Management Training Employee Program (MTEP) exchange employee.	✓						✓
9.	Hosted 14 employee special events, include the Employee Service Award Celebration	✓						✓

Initiatives	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
							
1. Continue to maintain and implement State and Federal mandated training's including Harassment Prevention for all City employees	✓						✓
2. Work on creating a city-wide Employee Wellness Initiative							✓
3. Evaluate the classifications that are required to take a pre-employment physical							✓
4. Negotiate Successor MOU between the City of Milpitas and the Milpitas Employees Association (MEA)							✓
5. Continue to maintain the Personnel Rules & Regulations	✓						✓
6. Continue to host City employee recognition events, offering networking opportunities for employees	✓						✓
7. Maintain the Professional Development/ Leadership Academy	✓						✓
8. Implement new modules including: Onboarding, Performance Evaluation & Training, and Position Control							✓

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Average time to fill a vacancy (in days)	91.5	106	70	100	90
Percentage of recruitments completed within established timelines *	43%	52%	75%	70%	60%
Employees that would recommend that a friend of family member work for the City of Milpitas **	N/A	N/A	80%	74%	80%
Employees feel respected by their coworkers **	N/A	N/A	92%	83%	92%
Employees feel respected by their supervisors **	N/A	N/A	84%	79%	84%

* Percentage of recruitments completed within established timelines was affected due to the difficulty recruiting during the COVID-19 Shelter in Place.

** Source: City of Milpitas Employee Pulse Survey

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Number of positions filled	46	84	85	90	95
Number of employees attended Harassment Prevention Training ***	375	325	500	406	150
Number of workers compensation claims processed	21	40	25	50	50
Number of transactions processed	4,763	3,532	2,000	2,500	3,000

*** Full Time Employees are all current on Harassment Prevention Training. The law changed to have Temporary Seasonal employees trained from January 2020 to January 2021.

Budget Summary

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	\$474,980	\$460,608	\$778,433	\$867,861	\$89,428	11.5 %
4112	Temporary Salaries	85,172	126,165	55,949	63,526	7,577	13.5 %
4113	Overtime	605	1,643	1,000	1,000	0	0.0 %
4121	Allowances	0	0	0	6,600	6,600	0.0 %
4124	Leave Cashout	28,931	7,607	0	0	0	0.0 %
4131	PERS	160,519	173,067	319,165	276,972	(42,193)	(13.2)%
4132	Group Insurance	69,414	39,268	150,948	131,448	(19,500)	(12.9)%
4133	Medicare	8,418	8,619	12,211	13,829	1,618	13.3 %
4135	Worker's Compensation	2,890	1,750	4,164	4,775	611	14.7 %
4138	Deferred Comp-Employer	4,019	2,959	6,300	6,300	0	0.0 %
4139	PARS	143	238	0	193	193	0.0 %
4146	Short Term Disability	0	0	1,428	588	(840)	(58.8)%
4161	Retiree Medical Reserve	27,756	27,144	38,920	34,714	(4,206)	(10.8)%
sub-total		862,847	849,068	1,368,518	1,407,806	39,288	2.9 %

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion, Grant/ Loan	4,388	2,193	8,500	8,500	0	0.0 %
4220	Supplies	4,864	7,387	7,000	7,000	0	0.0 %
4230	Services	429,959	517,066	587,464	599,164	11,700	2.0 %
4500	Training, Travel, & Memberships	26,167	24,344	74,187	79,187	5,000	6.7 %
sub-total		465,378	550,990	677,151	693,851	16,700	2.5 %
TOTAL		\$1,328,225	\$1,400,058	\$2,045,669	\$2,101,657	\$55,988	2.7 %

Staffing

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Employee Relations Officer	0.00	0.00	1.00	1.00	0.00
Human Resource Analyst II	0.00	1.00	1.00	1.00	0.00
Human Resources Analyst I	1.00	1.00	1.00	1.00	0.00
Human Resources Assistant	0.00	1.00	1.00	1.00	0.00
Human Resources Assistant II	1.00	0.00	0.00	0.00	0.00
Human Resources Director	1.00	1.00	1.00	1.00	0.00
Human Resources Technician	1.00	1.00	2.00	2.00	0.00
Senior Human Resources Analyst	1.00	0.00	0.00	0.00	0.00
Total Positions	5.00	5.00	7.00	7.00	0.00

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	7.00	\$2,045,669	\$0	\$2,045,669
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		39,288		39,288
Workers' Compensation Third Party Administrator		18,000		18,000
Claims Third Party Administrator		(1,300)		(1,300)
Adjustments to Costs of Ongoing Activities	0.00	55,988	0	55,988
Total FY 2020-21 Budget	7.00	\$2,101,657	\$0	\$2,101,657

Information Technology

IT Director: Mike Luu

Mission Statement

The Information Technology Department supports the operations of the City by providing high quality, reliable and cost- effective services in the areas of telecommunications, data processing, desktops support, Geographic Information System (GIS) and technology projects management.

Description

This department provides, in partnership with key product and service providers, automation planning, coordination of system procurement and implementation, management of technology projects to fulfill customer-defined functional requirements, development and maintenance of the City's technical architecture and infrastructure, and automation support and training while ensuring customer satisfaction. Further, the department supports the City's web site, Cable TV channel, AM radio station and public-access TV studio, security access systems and all automated data systems.

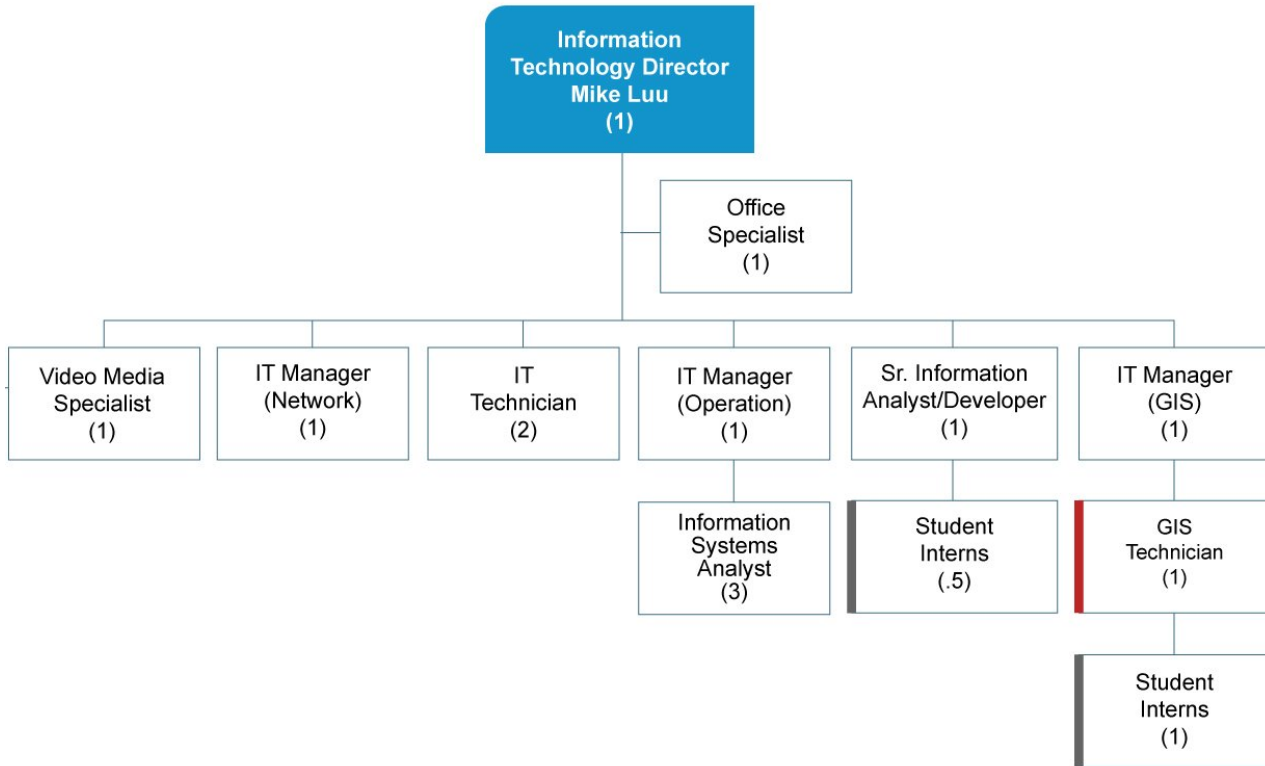


Services








- Strategic Planning - This service includes maintaining and updating the City's Telecommunications Master Plan in addition to providing the technology planning and support for each department to achieve their annual goals and objectives.
- Project Management - One of the key services provided by the Information Services Department includes project management for both large, multi-year and small technology projects.
- Development and support of the technical architecture and infrastructure - This service includes the maintenance and support of the City's telephone systems, mobile phone and data services, metropolitan-area fiber optic network, paging, radio, video, remote communications and the wired and wireless computer networks.
- Development and support of the City's website, cable TV channel and AM radio system - This service serves City staff, City residents and visitors, both locally and foreign.
- Implementation and operation of the City's security access and control systems - This service is used to enhance the safety of not only City staff and residents but also the City's public buildings.
- Management and support of complex information systems - The City supports a data network of more than 90 servers, 500 computers, 80 laptops and 120 printers. It is critical to continuously maintain and upgrade these systems to ensure the highest possible availability for all employees.
- Development and support of the City's Geographic Information System (GIS) - The GIS supports the work of virtually all departments within the City such as the 911 emergency computer-aided dispatch system, notification of residents regarding pending zoning actions, and tracking assets from street signs, light poles, fire hydrants and underground assets.
- Public Information function support - This service supports the City's website, cable TV channel and AM radio station.










Information Technology Department



Permanent FTE (13)
Temporary FTE (1.5)
New FY 20-21
Move
Reclass
Temp

Accomplishments		Public Safety 	Environment 	Transportation and Transit 	Economic Development and Job Growth 	Neighborhoods and Housing 	Community Wellness and Open Space 	Governance & Administration 
1.	Initiated Applicants Tracking implementation	✓	✓	✓	✓	✓	✓	✓
2.	Supported the Financial and Utility Billing System upgrade				✓			✓
3.	Completed Computer Aided Dispatch (CAD) upgrade	✓						✓
4.	Implemented Electronic form 700 Filing		✓					✓
5.	Completed Contracts Management System deployment	✓	✓	✓	✓	✓	✓	✓
6.	Completed the IT Strategic Plan							✓

Initiatives		Public Safety 	Environment 	Transportation and Transit 	Economic Development and Job Growth 	Neighborhoods and Housing 	Community Wellness and Open Space 	Governance & Administration 
1.	Upgrade the Electronic Permitting System to CentralSquare's Community Development Software				✓	✓	✓	✓
2.	Implement the IT Strategic Plan to Governance Process and Disaster Recovery	✓	✓	✓	✓	✓	✓	✓
3.	Complete Computer Aided Dispatch (CAD) Upgrade	✓						
5.	Implement additional Cyber Security Measures using NIST Framework	✓	✓	✓	✓	✓	✓	✓
6.	Implement a cloud strategy to improve server failure, ransomware, and disaster recoveries	✓	✓	✓	✓	✓	✓	✓

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Network Availability *	99.99%	99.99%	99.99%	99.97%	99.99%
Critical Server Availability *	99.99%	99.98%	99.99%	99.96%	99.99%
Website Availability *	99.99%	99.97%	99.99%	99.95%	99.99%
Customer surveys received with a score of 4 or better (out of 5)	96%	94%	99.5%	95%	96%
Physical servers converted to virtual servers	46%	65%	80%	90%	96%

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Help Desk tickets closed	3,367	2,842	3,000	3,100	3,000
Website visitors	1,553,357	1,794,775	3,500,000	1,900,000	2,000,000
GIS Asset updates	6,533	47,842	N/A	40,000	30,000 **
Number of City Council and Planning Committee meetings supported	58	52	52	50	50

* Scheduled down time for maintenance is excluded

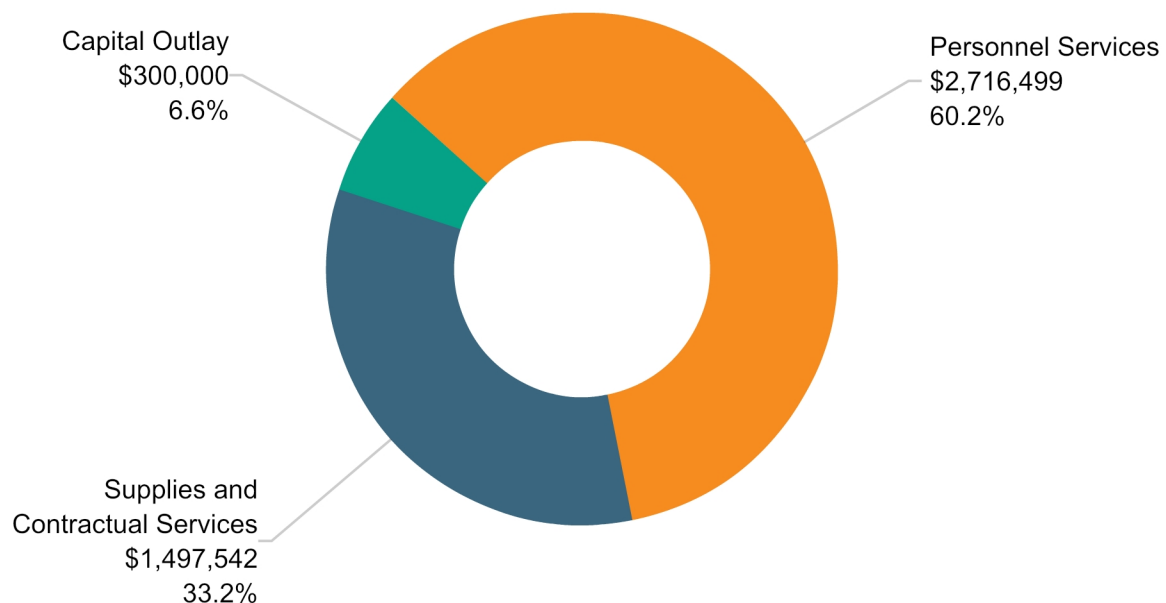
Budget Summary

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	\$1,042,719	\$1,231,001	\$1,486,498	\$1,734,968	\$248,470	16.7 %
4112	Temporary Salaries	41,740	0	35,000	35,000	0	0.0 %
4113	Overtime	221	755	0	0	0	0.0 %
4121	Allowances	1,501	1,501	0	6,600	6,600	0.0 %
4124	Leave Cashout	73,906	86,095	0	0	0	0.0 %
4131	PERS	348,374	464,679	609,357	553,680	(55,677)	(9.1)%
4132	Group Insurance	140,259	170,152	258,768	265,260	6,492	2.5 %
4133	Medicare	16,866	19,198	22,272	25,761	3,489	15.7 %
4135	Worker's Compensation	6,489	4,359	7,594	8,851	1,257	16.6 %
4138	Deferred Comp-Employer	7,356	8,953	10,800	11,700	900	8.3 %
4139	PARS	622	0	526	526	0	0.0 %
4146	Short Term Disability	0	0	2,448	1,092	(1,356)	(55.4)%
4161	Retiree Medical Reserve	61,080	67,224	74,129	73,061	(1,068)	(1.4)%
sub-total		1,741,133	2,053,917	2,507,392	2,716,499	209,107	8.3 %
SUPPLIES AND CONTRACTUAL SERVICES							
4210	Department Allocations	8,116	6,917	6,841	1,966	(4,875)	(71.3)%
4220	Supplies	16,235	30,694	18,180	20,000	1,820	10.0 %
4230	Services	75,397	33,294	206,000	8,000	(198,000)	(96.1)%
4240	Repair & Maintenance	649,919	565,178	1,062,967	1,177,605	114,638	10.8 %
4410	Communications	201,146	233,853	229,364	228,171	(1,193)	(0.5)%
4500	Training, Travel, & Memberships	6,011	6,088	58,200	61,800	3,600	6.2 %
sub-total		956,824	876,024	1,581,552	1,497,542	(84,010)	(5.3)%
CAPITAL OUTLAY							
4870	Machinery and Equipment	20,813	51,107	0	0	0	0.0 %
4920	Machinery, Tools & Equipment	303,632	153,080	300,000	300,000	0	0.0 %
sub-total		324,445	204,187	300,000	300,000	0	0.0 %
TOTAL		\$3,022,402	\$3,134,128	\$4,388,944	\$4,514,041	\$125,097	2.9 %

Staffing

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Desktop Technician	2.00	2.00	0.00	0.00	0.00
G I S Manager	1.00	1.00	0.00	0.00	0.00
GIS Technician	0.00	0.00	0.00	1.00	1.00
Information System Analyst	0.00	0.00	3.00	3.00	0.00
Information Technology Director	1.00	1.00	1.00	1.00	0.00
Information Technology Manager	0.00	0.00	3.00	3.00	0.00
Information Technology Technician	0.00	0.00	2.00	2.00	0.00
Office Specialist	1.00	1.00	1.00	1.00	0.00
Operations Manager	1.00	1.00	0.00	0.00	0.00
Sr. Information Analyst/Dev	0.00	1.00	1.00	1.00	0.00
Systems Administrator	2.00	2.00	0.00	0.00	0.00
Telecommunications Manager	1.00	1.00	0.00	0.00	0.00
Video Media Specialist	1.00	1.00	1.00	1.00	0.00
Total Positions	10.00	11.00	12.00	13.00	1.00

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	12.00	\$3,549,603	\$839,341	\$4,388,944
One-Time Prior Year Budget Adjustments				
Permit System Upgrade		0	(200,000)	(200,000)
One-Time Prior Year Budget Adjustments	0.00	0	(200,000)	(200,000)
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		(82,634)	107,881	25,247
Transfer of 1.0 GIS Technician from the Engineering Department	1.00	147,088	36,772	183,860
Equipment Replacement Amortization		(4,875)		(4,875)
Net Annual Cost for OpenGov Budget System (Council Approval 10/15/2019)		19,365		19,365
Software Maintenance and Software as a Service (Office 365 [\$28,000], NeoGov [\$25,000], Seamlessdocs [\$13,000], Sophos [\$10,000], Cayenta [\$9,000], Tritech VisiCAD [\$8,000])		93,000		93,000
Software Maintenance and Software as a Service (Filemaker [\$5,000], Document Management [\$2,500], Eplan Submittal [\$2,000])			8,500	8,500
Adjustments to Costs of Ongoing Activities	1.00	171,944	153,153	325,097
Total FY 2020-21 Budget	13.00	\$3,721,547	\$792,494	\$4,514,041

Planning

Planning Director: Ned Thomas, AICP

Mission Statement

The Planning Department provides excellent customer service in support of an efficient development review process and engages in community partnerships to envision and promote an attractive, vibrant, balanced, and sustainable city for today and tomorrow.

Description

The Planning Department prepares, maintains, and implements the City's General Plan, associated Specific Plans, and other planning and policy documents that guide the physical development of the community. Department staff assist residents, businesses, designers, developers, and architects to understand and follow the City's policies and regulations for development, including the General Plan, the Midtown Specific Plan, the Transit Area Specific Plan, and the Zoning Ordinance. The Department collaborates with other City departments to administer other development policies and regulations, including the California Environmental Quality Act (CEQA). The Department promotes informed decision-making by facilitating community and neighborhood meetings, as needed, and providing administrative support to the Planning Commission.

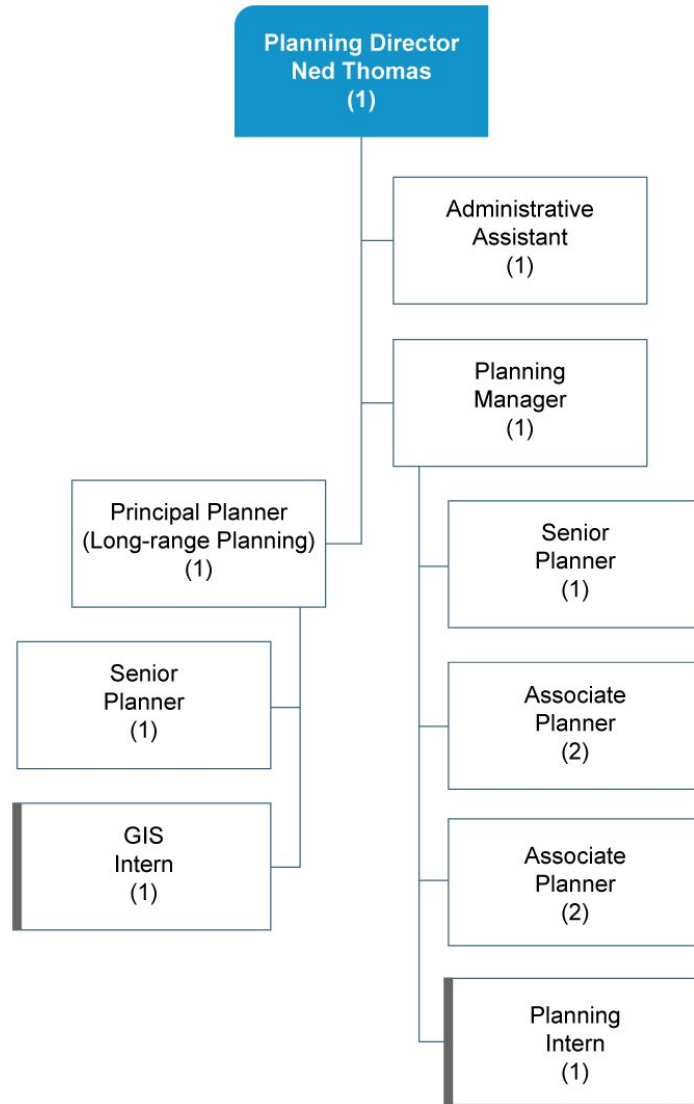


Services








- Prepares, maintains, and implements the City's General Plan and associated Specific Plans.
- Conducts research, prepares long-range planning documents, and assists other departments in preparing special-purpose long-range plans.
- Administers the City's Zoning Ordinance and collaborates with other departments to administer other development policies and regulations, including the California Environmental Quality Act (CEQA).
- Performs and coordinates review of land development applications and provides information to the public regarding land development regulations and processes.
- Assists developers in obtaining planning entitlements and coordinates the development review process from conceptual design and pre-application consultation to application submittal and formal review.
- Implements the Midtown Specific Plan and Transit Area Specific Plan and coordinates with other departments to ensure timely review of development proposals.
- Provides and updates planning permit fees, submittal requirements, checklists, design guidelines, and publications to support a streamlined permit application and development review process.
- Reviews building plans for conformance with zoning regulations and conditions of approval.
- Provides staff support to the Planning Commission and other planning-related advisory groups.
- Coordinates with the City Manager's office in working with outside agencies, regional organizations, and local businesses.
- Coordinates with outside agencies on regional planning, transportation, and environmental issues.
- Maintains City demographics and geographic-based information.
- Promotes the City of Milpitas as a vibrant community to live, work, shop, learn, and play.






Planning Department



Permanent FTE (10)	New FY 20-21
Temporary FTE (2)	Move
	Reclass
	Temp

Accomplishments		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Continued 2040 General Plan Update and received Council support for the Preferred Land Use Map	✓	✓	✓	✓	✓	✓	✓
2.	Prepared Zoning Ordinance amendments to address Accessory Dwelling Units (ADUs), Assembly Uses in Industrial Areas, and Massage Businesses	✓	✓	✓	✓	✓	✓	✓
3.	Selected a consultant team to work with staff to update the Transit Area Specific Plan and EIR.		✓	✓	✓	✓		
4.	Adjusted the Transit Area Development Impact Fee (TADIF) for the first time since 2014.			✓	✓	✓	✓	✓
5.	Implemented the Zoning Administrator Hearing Process to streamline the development review process.				✓			✓
6.	Provided Census 2020 mapping information and ongoing Census 2020 support.				✓	✓	✓	✓
7.	Onboarded five new Planning Commissioners and initiated a monthly training series to help the Planning Commission operate more effectively.							✓
8.	Partnered with Recreational Services to secure new Healthy Cities Initiative grant to address secondhand smoke in multi-family housing.	✓				✓		
9.	Established professional services contracts with six consulting firms to conduct CEQA analysis for private development projects.	✓	✓	✓		✓	✓	✓
10.	Onboarded a new Principal Planner with a focus on long-range planning projects.		✓	✓	✓	✓	✓	✓

Initiatives		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Complete the 2040 General Plan and related Environmental Impact Report (EIR)	✓	✓	✓	✓	✓	✓	✓
2.	Initiate a comprehensive update of the City's Zoning Ordinance				✓			✓
3.	Prepare updates to the TASP and EIR to facilitate continued development around the Milpitas Transit Center and BART		✓	✓	✓	✓	✓	✓
4.	Prepare an update to the Transit Area Development Impact Fee based on the updated TASP development scenario.			✓	✓	✓		✓
5.	Define a strategy for the Calaveras Gateway/ Main Street Specific Plan and EIR			✓		✓		
6.	Support work on the Economic Development Strategy			✓				
7.	Support work on the Bikeway & Pedestrian Master Plan		✓					
8.	Support work on Parks & Rec Master Plan				✓	✓	✓	✓
9.	Enhance the Department's GIS resources and services						✓	✓
10.	Develop objective design standards and a streamlined review process for multi-family housing and ADUs					✓		✓

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Administrative Approvals/Permits:					
1) First review completed within 21 calendar days	-	-	-	-	90%
2) Average cumulative staff review time	-	-	-	-	14 calendar days
3) Average total processing time from complete application to disposition	-	-	-	-	28 calendar days
Zoning Administrator Applications:					
1) First review completed within 30 calendar days	-	-	-	-	90%
2) Average cumulative staff review time	-	-	-	-	45 calendar days
3) Average total processing time from complete application to disposition	-	-	-	-	90 calendar days
Planning Commission Applications:					
1) First review completed within 45 calendar days	-	-	-	-	90%
2) Average cumulative staff review time	-	-	-	-	75 calendar days
3) Average total processing time from complete application to disposition:					
a. Projects with Exemption	-	-	-	-	150 days
b. Projects with Mitigated Negative Declaration					180 days
c. Projects with Environmental Impact Report					360 days
ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Total planning permits/zoning approvals issued	-	-	-	-	400
Total planning applications with public hearing	-	-	-	-	60
Total long-range planning projects (policy and zoning updates) in progress or completed	-	-	-	-	6

Budget Summary

DOLLARS BY FUNCTION	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
Long Range Planning	\$0	\$0	\$166,344	\$230,312	\$63,968	38.5%
Planning	1,479,104	1,708,311	2,012,221	2,012,920	699	0.0%
TOTAL	\$1,479,104	\$1,708,311	\$2,178,565	\$2,243,232	\$64,667	3.0%

DOLLARS BY CATEGORY	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES						
4111 Permanent Salaries	\$898,785	\$1,028,240	\$1,277,522	\$1,423,115	\$145,593	11.4 %
4112 Temporary Salaries	1,565	1,918	38,978	44,000	5,022	12.9 %
4113 Overtime	6,659	(1,033)	10,000	12,000	2,000	20.0 %
4121 Allowances	0	0	0	6,600	6,600	0.0 %
4124 Leave Cashout	4,521	16,195	0	0	0	0.0 %
4131 PERS	272,424	381,777	489,063	421,755	(67,308)	(13.8)%
4132 Group Insurance	145,150	152,034	210,249	185,508	(24,741)	(11.8)%
4133 Medicare	13,148	15,072	19,241	21,429	2,188	11.4 %
4135 Worker's Compensation	5,696	5,426	6,573	7,355	782	11.9 %
4138 Deferred Comp-Employer	6,404	7,451	8,775	9,000	225	2.6 %
4139 PARS	66	156	555	720	165	29.7 %
4146 Short Term Disability	0	0	1,989	840	(1,149)	(57.8)%
4161 Retiree Medical Reserve	56,087	54,382	63,947	61,710	(2,237)	(3.5)%
sub-total	1,410,505	1,661,618	2,126,892	2,194,032	67,140	3.2 %

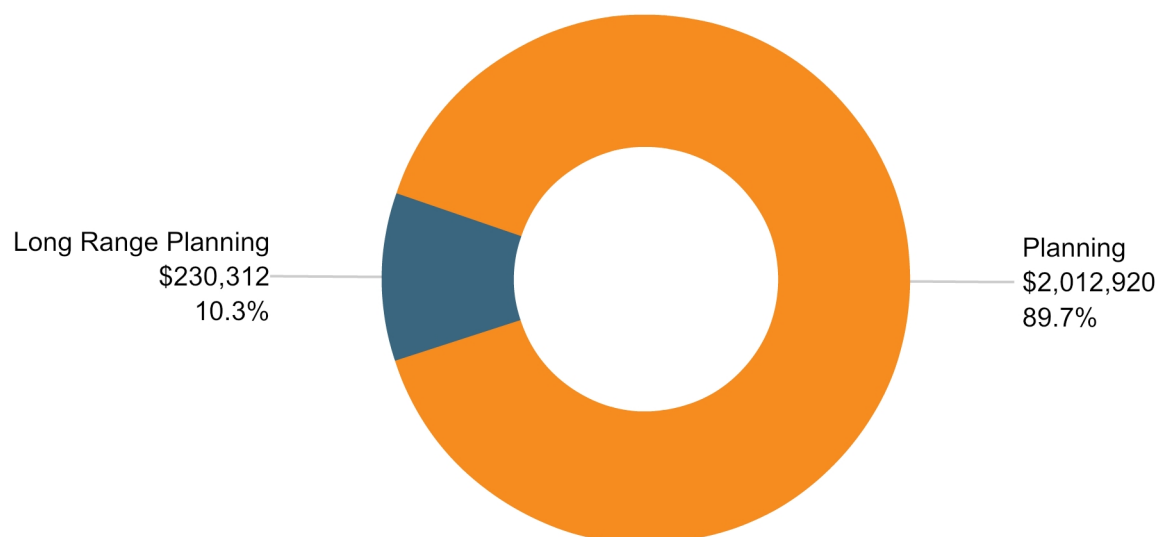
SUPPLIES AND CONTRACTUAL SERVICES						
4210 Department Allocations	0	0	2,473	0	(2,473)	(100.0)%
4220 Supplies	10,117	11,318	12,000	12,000	0	0.0 %
4230 Services	51,141	14,140	15,000	15,000	0	0.0 %
4500 Training, Travel, & Memberships	7,341	21,235	22,200	22,200	0	0.0 %
sub-total	68,599	46,693	51,673	49,200	(2,473)	(4.8)%
TOTAL	\$1,479,104	\$1,708,311	\$2,178,565	\$2,243,232	\$64,667	3.0 %

Staffing

POSITIONS BY FUNCTION	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Planning	9.00	9.00	9.00	9.00	0.00
Long Range Planning	0.00	0.00	1.00	1.00	0.00
TOTAL	9.00	9.00	10.00	10.00	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Administrative Assistant	0.00	0.00	1.00	1.00	0.00
Assistant Planner	1.00	1.00	2.00	2.00	0.00
Associate Planner	2.00	2.00	2.00	2.00	0.00
Junior Planner	1.00	1.00	0.00	0.00	0.00
Planning Director	1.00	1.00	1.00	1.00	0.00
Planning Manager	1.00	1.00	1.00	1.00	0.00
Principal Planner	0.00	0.00	1.00	1.00	0.00
Secretary	1.00	1.00	0.00	0.00	0.00
Senior Planner	2.00	2.00	2.00	2.00	0.00
Total Positions	9.00	9.00	10.00	10.00	0.00

Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	10.00	\$1,920,315	\$258,250	\$2,178,565
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		13,541	53,599	67,140
Equipment Replacement Amortization		(2,473)		(2,473)
Adjustments to Costs of Ongoing Activities	0.00	11,068	53,599	64,667
Total FY 2020-21 Budget	10.00	\$1,931,383	\$311,849	\$2,243,232



Police

Police Chief: Armando Corpuz

Mission Statement

The Milpitas Police Department is committed to the protection of lives and property by working with our community and providing professional and responsive police services.

Description

This department provides 24 hours-a-day, 365 days-a-year policing services to the City, keeps the peace, and prevents & controls crime. The Department's nine functions include: Administration, Patrol Services, Traffic Safety Unit, Crossing Guards, Police Community Relations Unit, Investigations Unit, Communications Unit, Records Unit, and Personnel & Training.



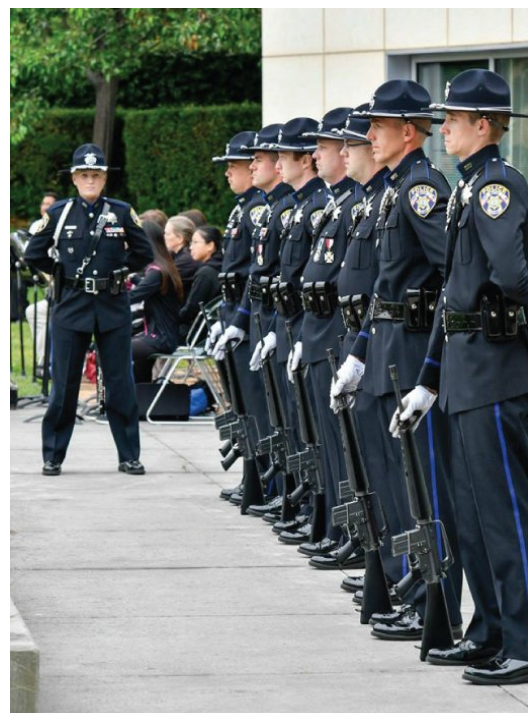
Services

- Provides 24 hours-a-day, 365 days-a-year response to calls for police services. Safeguards the community from crime through deterrence, prevention, and arrest of offenders. Preserves the public peace, protects life & property, and appropriately enforces laws & ordinances.

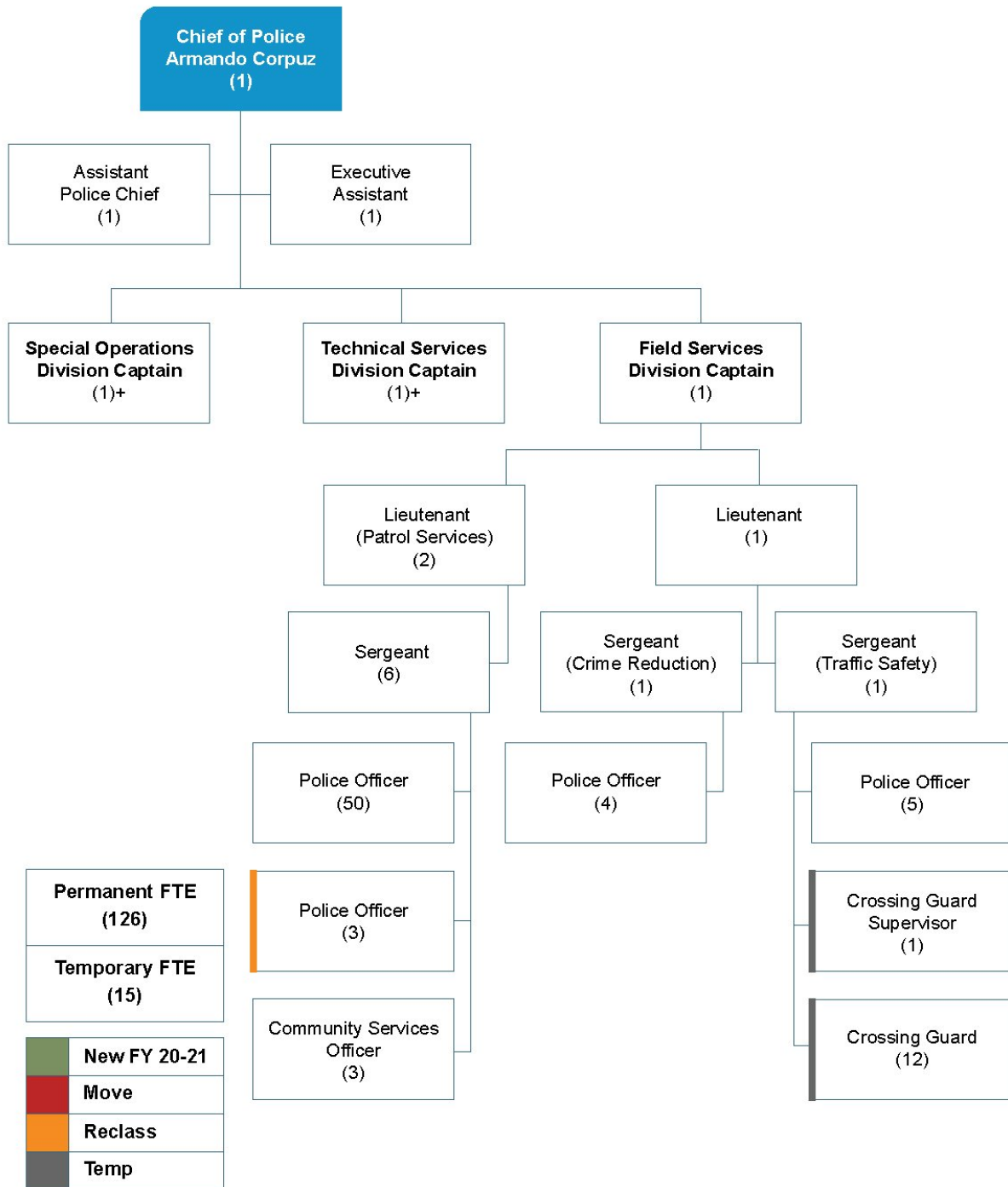


- Investigates automobile thefts, hit-and-runs collisions, and traffic accidents; conducts accident reconstruction for major injury & fatal collisions; provides traffic control at major events and enforces traffic laws.
- Manages the Crossing Guard program, which staffs critical intersections within the City to ensure the safety of children walking to and from schools.
- Facilitates PAL activities & programs and conducts Neighborhood Watch, Police Explorer, Citizen Volunteer, and other crime prevention & education programs.
- Works closely with the school district and county agencies to divert first time offenders from the juvenile justice system through parent counseling and other innovative programs. The School Resource Officer in the Police Community Relations Unit serves Milpitas High School and Calaveras Hills High School.
- Provides follow-up investigation of crimes against persons, fraud, high technology crimes, missing persons, and property crimes.

- Conducts gang prevention, intervention, and investigation programs; tracks sex registrants; and conducts proactive narcotic investigations.
- Provides 24 hours-a-day, 365 days-a-year 9-1-1 emergency telephone answering and emergency dispatching for the police department, fire department, and other City Departments.
- Provides public counter service, filing of criminal complaints, and evidence management. Processes, maintains, and distributes police reports and fire reports, prepares statistical data required by law, and responds to report requests and telephone inquiries from citizens and other authorized entities.
- Maintains a Community Service Officer (CSO) Program to expand services. The CSOs have absorbed many non-hazardous tasks previously assigned to police officers and police officers will remain dedicated to higher priority items. The CSOs provide the community with responsive services at a cost far less than that of a police officer.

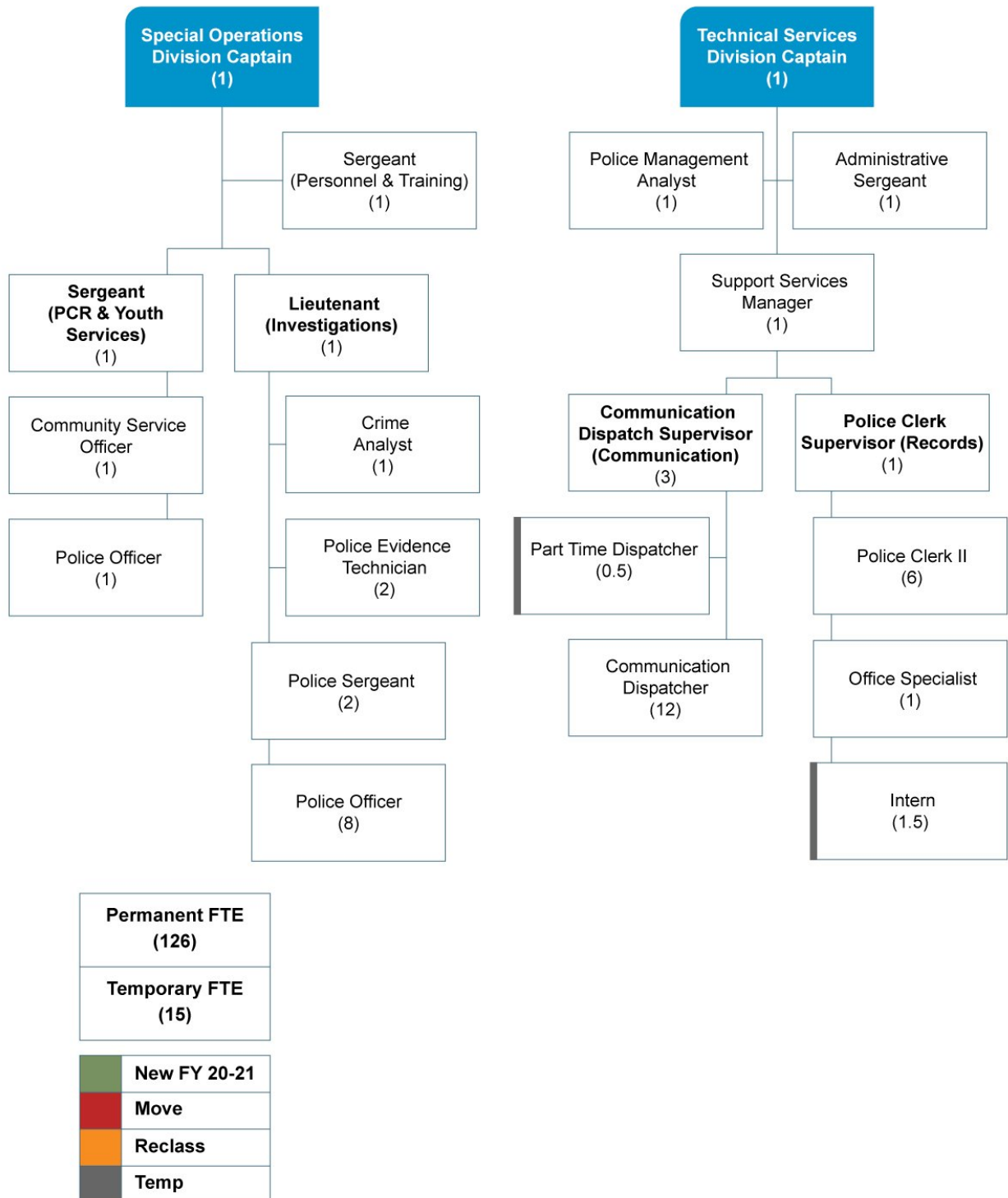









Police Department










+Detailed org chart
on following pages

Police Department



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
Accomplishments							
1. Maintained an avg. response time of 2:38 (calendar year 2019)	✓			✓	✓	✓	
2. Reduced commercial burglaries 27% and automobile theft by 19% (calendar year 2019)	✓			✓	✓	✓	
3. Implemented Rapid Lite 911 SOS software to quickly locate 911 cellular callers	✓			✓	✓	✓	
4. Attended 108 community outreach events	✓			✓	✓	✓	
5. Implemented the Community Service Officer classification which frees up police officer capacity	✓						✓
6. 93% of staff trained in Principled Policing to strengthen the relationship and build trust between the police and the community.	✓			✓	✓	✓	
7. Answered 95.3% of 911 calls within ten (10) seconds. (calendar year 2019)	✓						
8. Completed Police Department organizational assessment and Evidence Room Audit.	✓						✓

							
Initiatives							
1. Ensure average response times to emergency calls remain under three (3) minutes.	✓		✓	✓	✓	✓	
2. Ensure 100% registration compliance by known sex offenders.	✓				✓		
3. Ensure 95% of 911 calls are answered by a dispatcher within ten (10) seconds. The state standard is 95% within fifteen (15) seconds.	✓		✓	✓	✓		
4. Reduce Part 1 Uniform Crime Reporting index crimes (murder, sex offenses, robbery, aggravated assault, burglary, motor vehicle theft, and arson) by 2%.	✓						
5. Host Community Engagement events (4 coffee with a cop events, 5 HOA community presentations, 2 citizen academies, and 1 faith-based community meeting)	✓				✓	✓	
6. Conduct fifteen (15) directed enforcement events to improve traffic safety	✓		✓		✓	✓	

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Average response time to emergency calls (minutes)	2:57	2:41	2:51	2:36	2:40
Part 1 Uniform Crime Reporting Index crimes (2% annual reduction target)	2,047	2,153	2,017	2,340	2,293
Community Events: Coffee with a cop, HOA presentations, Citizen academies, faith-based community meetings	2	16	11	35	15
9-1-1 calls answered by a dispatcher within ten (10) seconds *	96%	96%	96%	96%	96%
Compliance of known sex offenders	100%	100%	100%	100%	100%

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Computer Aided Dispatch (CAD) system generated events	71,904	74,821	75,000	77,441	78,990
Arrests reported to FBI (all crimes)	2,395	2,150	2,300	1,954	2,300
Citations issued	7,180	4,650	6,000	6,168	6,300
Community Presentations	56	104	85	110	105
Number of unhoused/homeless persons contacts	N/A	N/A	N/A	909	1,000
Total hours spent on calls related to unhoused/homeless persons	N/A	N/A	N/A	511	556

* State standard is 95% within 15 seconds

Budget Summary

DOLLARS BY FUNCTION	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
Communications	\$2,908,586	\$3,237,415	\$4,170,518	\$4,319,269	\$148,751	3.6 %
Community Relations	603,385	651,478	666,501	718,446	51,945	7.8 %
Crossing Guards	369,577	373,796	449,606	513,444	63,838	14.2 %
Investigations	3,870,694	4,105,749	4,506,252	4,896,970	390,718	8.7 %
Patrol Services	15,694,385	17,536,965	20,655,006	21,537,000	881,994	4.3 %
Personnel & Training	467,119	571,193	547,246	594,258	47,012	8.6 %
Police Administration	737,991	1,228,597	1,560,858	1,859,746	298,888	19.1 %
Records	1,508,483	1,605,668	1,906,997	1,887,216	(19,781)	(1.0)%
Traffic	1,749,189	1,440,179	1,972,952	2,040,671	67,719	3.4 %
TOTAL	\$27,909,409	\$30,751,040	\$36,435,936	\$38,367,020	\$1,931,084	5.3 %

DOLLARS BY CATEGORY	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES						
4111 Permanent Salaries	\$14,374,328	\$15,489,661	\$18,480,319	\$19,746,529	\$1,266,210	6.9 %
4112 Temporary Salaries	484,355	484,397	518,376	579,569	61,193	11.8 %
4113 Overtime	652,607	686,372	743,283	780,598	37,315	5.0 %
4121 Allowances	128,913	137,734	148,053	143,472	(4,581)	(3.1)%
4124 Leave Cashout	496,724	688,868	0	0	0	0.0 %
4131 PERS	6,115,187	7,284,572	9,638,310	9,591,036	(47,274)	(0.5)%
4132 Group Insurance	2,137,939	2,271,715	2,692,602	2,631,144	(61,458)	(2.3)%
4133 Medicare	228,144	247,787	278,125	296,810	18,685	6.7 %
4135 Worker's Compensation	684,765	547,381	970,980	997,543	26,563	2.7 %
4138 Deferred Comp-Employer	4,500	6,238	14,925	9,000	(5,925)	(39.7)%
4139 PARS	5,569	5,742	7,384	8,270	886	12.0 %
4141 Adjustments-Payroll	0	0	4,500	4,500	0	0.0 %
4146 Short Term Disability	0	0	25,211	1,176	(24,035)	(95.3)%
4161 Retiree Medical Reserve	716,170	758,143	825,915	1,532,398	706,483	85.5 %
sub-total	26,029,201	28,608,610	34,347,983	36,322,045	1,974,062	5.7 %

SUPPLIES AND CONTRACTUAL SERVICES

4200 Community Promotion, Grant/ Loan	500	0	500	500	0	0.0 %
4210 Department Allocations	559,018	511,449	617,268	660,966	43,698	7.1 %
4220 Supplies	300,139	328,716	169,010	175,579	6,569	3.9 %

Budget Narrative and Summary

DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
4230	Services	745,800	940,107	969,802	947,791	(22,011)	(2.3)%
4240	Repair & Maintenance	43,507	23,762	42,538	38,238	(4,300)	(10.1)%
4410	Communications	20,623	22,726	19,320	18,000	(1,320)	(6.8)%
4500	Training, Travel, & Memberships	96,435	168,333	137,902	143,901	5,999	4.4 %
sub-total		1,766,022	1,995,093	1,956,340	1,984,975	28,635	1.5 %

CAPITAL OUTLAY							
4850	Vehicles	1,700	18,636	71,613	0	(71,613)	(100.0)%
4870	Machinery and Equipment	43,595	11,509	0	0	0	0.0 %
4910	Office Furniture & Fixtures	64,554	115,106	0	0	0	0.0 %
4920	Machinery, Tools & Equipment	4,337	2,086	60,000	60,000	0	0.0 %
sub-total		114,186	147,337	131,613	60,000	(71,613)	(54.4)%
TOTAL		\$27,909,409	\$30,751,040	\$36,435,936	\$38,367,020	\$1,931,084	5.3 %

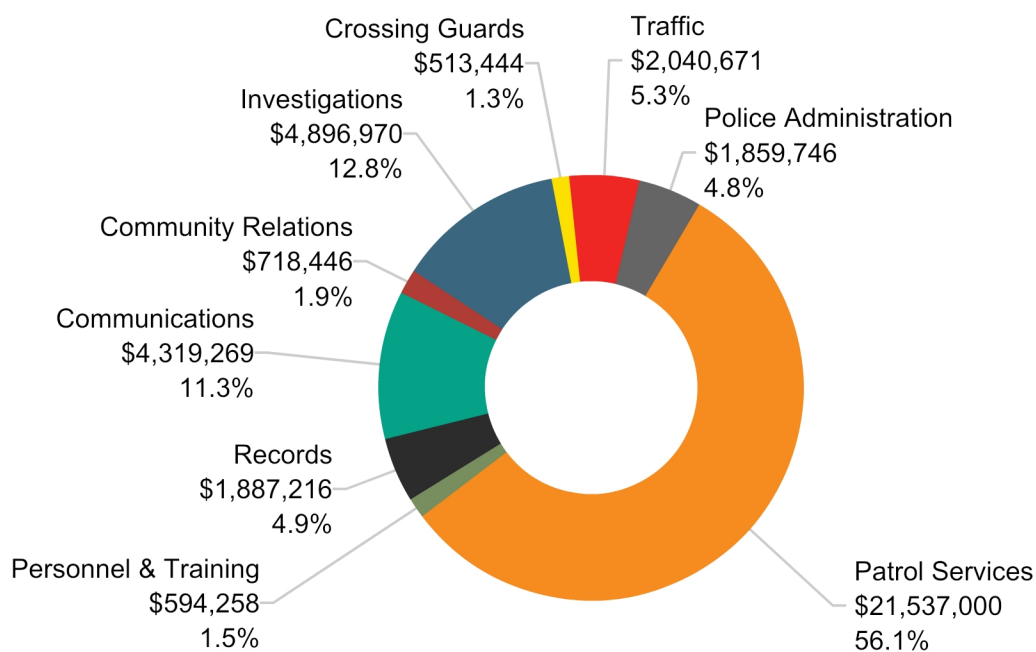
Staffing

POSITIONS BY FUNCTION	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Communications	15.00	16.00	17.00	17.00	0.00
Community Relations	2.00	2.00	2.00	2.00	0.00
Crossing Guards	0.00	0.00	0.00	0.00	0.00
Investigations	12.00	12.00	13.00	13.00	0.00
Patrol Services	65.00	65.00	72.00	72.00	0.00
Personnel & Training	1.00	1.00	1.00	1.00	0.00
Police Administration	3.00	4.00	5.00	5.00	0.00
Records	9.00	11.00	10.00	10.00	0.00
Traffic	6.00	6.00	6.00	6.00	0.00
TOTAL	113.00	117.00	126.00	126.00	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Assistant Police Chief	0.00	1.00	1.00	1.00	0.00
Chief of Police	1.00	1.00	1.00	1.00	0.00
Communications Dispatch Superv	3.00	3.00	3.00	3.00	0.00
Communications Dispatcher	11.00	11.00	12.00	12.00	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Community Service Officer	0.00	0.00	4.00	4.00	0.00
Crime Analyst	0.00	1.00	1.00	1.00	0.00
Executive Assistant	0.00	0.00	1.00	1.00	0.00
Executive Secretary	1.00	1.00	0.00	0.00	0.00
Office Specialist	1.00	1.00	1.00	1.00	0.00
Patrol Officer	3.00	3.00	3.00	0.00	(3.00)
Police Captain	3.00	3.00	3.00	3.00	0.00
Police Clerk II	5.00	6.00	6.00	6.00	0.00
Police Clerk Supervisor	1.00	1.00	1.00	1.00	0.00
Police Evidence Technician	2.00	2.00	2.00	2.00	0.00
Police Lieutenant	4.00	4.00	4.00	4.00	0.00
Police Management Analyst	0.00	0.00	1.00	1.00	0.00
Police Officer	65.00	65.00	68.00	71.00	3.00
Police Sergeant	13.00	13.00	13.00	13.00	0.00
Police Support Services Mgr	1.00	1.00	1.00	1.00	0.00
Total Positions	114.00	117.00	126.00	126.00	0.00





Expenditures by Function



Budget Reconciliation



	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	126.00	\$36,375,936	\$60,000	\$36,435,936
One-Time Prior Year Budget Adjustments				
Capital Outlay	0.00	(71,613)	0	(71,613)
One-Time Prior Year Budget Adjustments	0.00	(71,613)	0	(71,613)
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		1,735,016		1,735,016
Temporary Salaries (Crossing Guards Living Wage)		61,193		61,193
Overtime (Increase equivalent to negotiated MOU salary increases of 4.5% [January 2020])		37,315		37,315
Equipment Replacement Amortization		43,698		43,698
Contractual Services (Santa Clara County Crime Lab \$20,000; Body Worn Camera Program \$17,000)		37,000		37,000
Memberships, Meetings & Travel (POST Training)		22,500		22,500
Adjustments to Costs of Ongoing Activities	0.00	1,936,722	0	1,936,722
Total FY2020-21 Base Budget	126.00	38,241,045	60,000	38,301,045
Service Level Changes				
Patrol Officer Positions Classification		140,538	0	140,538
Contractual Services Funding Reduction		(74,563)	0	(74,563)
Total Service Level Changes	0.00	65,975	0	65,975
Total FY 2020-21 Budget	126.00	\$38,307,020	\$60,000	\$38,367,020

Service Level Changes

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1. Patrol Officer Positions Classification	0.00	\$140,538	\$0	\$140,538
<div></div> <p>This action adds 3.0 Police Officer positions and deletes 3.0 Patrol Officer positions. Currently the Police Department is funded for 93 sworn positions, which includes 68.0 Police Officer positions and 3.0 Patrol Officer positions. All sworn police and patrol officer positions, regardless of classification, attend the same Police Officer Standards and Training (POST) academy and have the same police officer powers granted under the California Penal Code. Although these two classifications have the same qualifications and performs some of the same duties, the Milpitas Police Department has differentiated the police officer and patrol officer classification. Generally, the patrol officer classification has less responsibilities than a police officer classification. For example, a patrol officer classification would primarily handle prisoner transports, take prior crime reports where there was no suspect information, handle barking dog complaints, etc. In contrast, the police officer classification is responsible for all patrol officer classification responsibilities and patrolling a designated patrol beat, responding to and investigating in-progress crimes, investigating crimes with suspect information, conducting investigative follow-up, interviewing involved parties, preparing cases to be filed for prosecution, etc. Since its inception, the Milpitas Police Department has used discretion in hiring for the patrol officer and police officer classifications. The patrol officer position has been used as a means to cultivate and develop police officer candidates. Quality employees that have not met the hiring threshold for a police officer classification have been hired as patrol officer classification and used the position to gain the necessary experience for advancement to the Police Officer classification.</p> <p>As the Milpitas Police Department continues to fill vacant positions and build staffing to a suitable level, the focus has been to hire employees at the police officer classification. Recently, the Community Service Officer classification was added. The job duties of this position mirror the duties of a patrol officer classification with the exception of prisoner transports. The Department hired the Community Service Officers on March 2, 2020.</p> <p>The reclassification of these three positions will enable the Police Department to provide responsive police services and assign staff to existing units within the police department, such as Patrol Services, traffic, investigations, and community relations, according to crime fighting strategies and community needs. The patrol officer classification will be retained and reserved so that an employee needing development could be reclassified to the patrol officer classification on an as needed basis.</p>				
Performance Results:	<div></div>			
<p>One of the main goals of the police department is to have an average response time to emergencies of three (3) minutes or less in order to be effective in combating crimes and minimizing threats to public safety. As the residential population increases and the influx of people coming through or to Milpitas for work & commerce increase, the challenges of maintaining an effective average response time to emergencies and maintaining current service levels increase. The Milpitas Transit Area Specific Plan (TASP) and the Bay Area Rapid Transit (BART) station will increase the demand on police services and there will be a need for officers functioning at the police officer classification to properly address the demand. The reclassification of these three positions will increase responsive police services and assign staff to existing units within the police department, such as Patrol Services, traffic, investigations, and community relations, according to crime fighting strategies and community needs.</p>				

Impact if funding is not approved

If this action is not funded, the department will attempt to fill the Patrol Officer positions. Hiring into this classification limits deployment to Patrol Officers' duties versus expanding the capabilities of the Department's sworn staff complement.

2.	Contractual Services Funding Reduction	1.00	\$(74,563)	\$0	\$(74,563)
	This action reduces most funding for contractual services and radio repair and maintenance primarily related to the outdated Police radio system. The City recently switched over to the county-wide 700 MHz radio infrastructure administered by the Silicon Valley Regional Interoperability Authority (SVRIA). The City will still maintain the old system as a back-up during this transitional period.				
Performance Results:					
This reduction will minimally impact service delivery.					
Impact if funding is not approved					
Not applicable.					

Total Service Level Changes	1.00	\$65,975	\$0	\$65,975
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Public Works

Director: Tony Ndah

Mission Statement

The Public Works Department is committed to enhancing the quality of life and ensuring public health and safety in the community by providing: Quality and responsive service and resources to operate and maintain the City's infrastructure in a safe, timely, and efficient manner.

Description

The Public Works Department operates and maintains the City's infrastructure and facilities, including public streets, utilities, parks, street landscaping, City vehicles, and City buildings. The Department also oversees and implements key environmental services and sustainability programs, including the Climate Action Plan. The ten functions are Administration, Streets Maintenance, Utility Engineering, Utility Operations and Maintenance, Park Maintenance, Trees and Landscape Maintenance, Fleet Maintenance, Facilities Maintenance, Environmental Compliance and Sustainability, and Solid Waste.

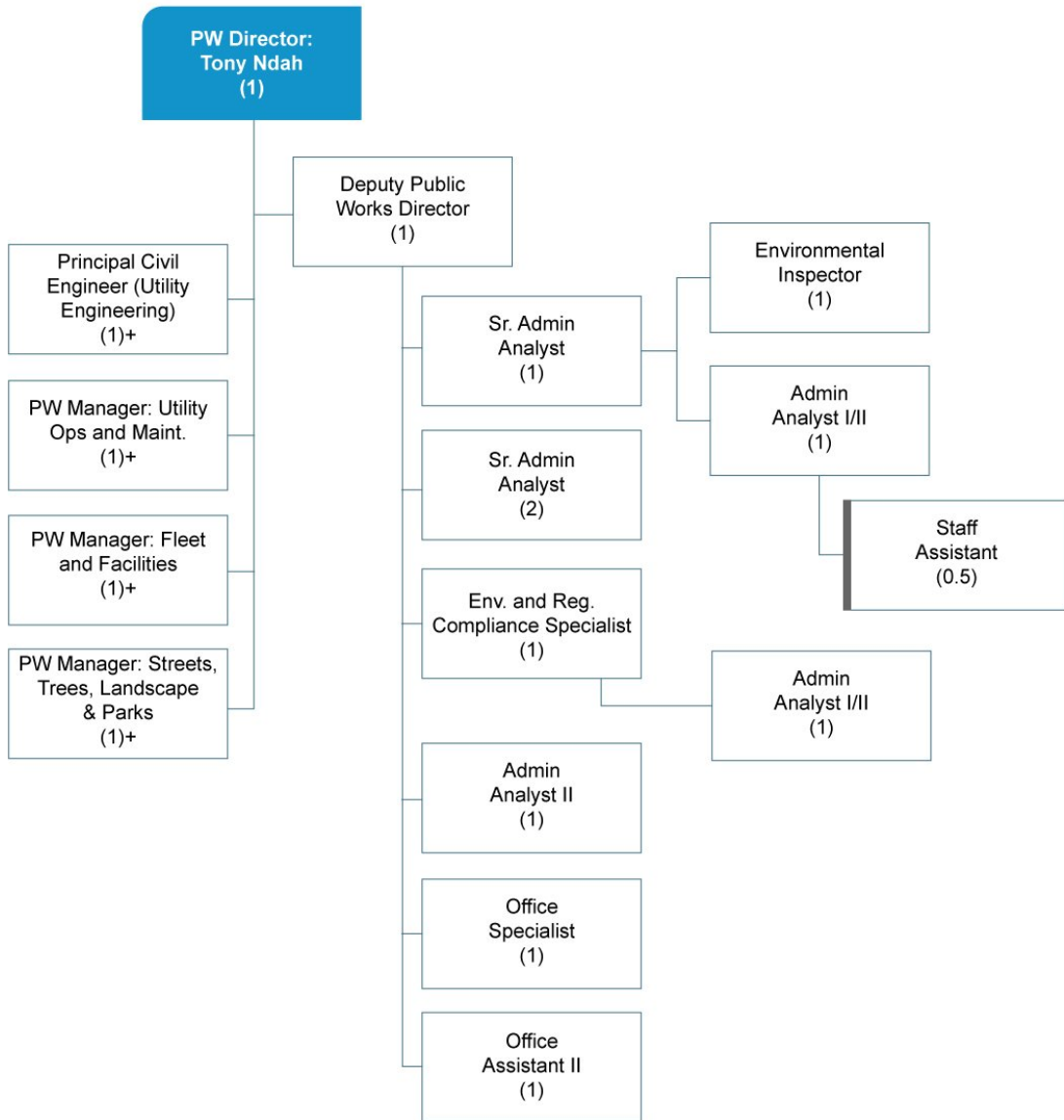


Services

- Provides management, direction and coordination for the operation, maintenance, and repair of City infrastructure and equipment assets.
- Controls and manages department budgets, including large/complex projects and contracts; implements improvements to operations of department functions and formulates policies and procedures; and administers department training and safety programs.
- Maintains the City's traffic signal system, street signs, street lights, paved roadways, and pavement markings in accordance with the Clean & Safe Streets program and State Code requirements.
- Provides sidewalk repair, right-of-way weed abatement, and debris and graffiti removal.
- Operates and maintains the water distribution system, including 206 miles of water lines, 4 pumping stations, 5 storage reservoirs, and numerous pressure valves regulating 7 pressure zones, to deliver 11 million gallons per day of potable water to approximately 19,000 accounts.
- Provides asset management and engineering support to ensure compliance with regulatory permits for the City's water, sewer, and stormwater systems.
- Operates and maintains the sewer collection system, including 175 miles of sewer lines and 2 pumping stations to discharge 8 million gallons per day to the San Jose/Santa Clara Regional Wastewater Facility.
- Operates and maintains the stormwater collection system, including 105 miles of storm pipe and 13 pump stations to convey storm water to local creeks.
- Manages the City's sustainability and environmental programs including climate action, solid waste, stormwater management, and compliance with state, federal and local environmental regulations.
- Provides park maintenance for more than 190 acres of parkland, including playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, park trees, lagoons, and parking lots.
- Maintains more than 15,400 trees and 125 acres of median landscaping, including City tree planting and pruning, trails, and litter control.
- Maintains and repairs City vehicles and motorized equipment, including police vehicles, fire apparatus, construction equipment, mowers, and communication radios.
- Maintains City buildings and grounds, including building systems (plumbing, electrical, heating, air conditioning, ventilation, and backup power); sets up rooms for rental groups and meetings; and provides custodial services.

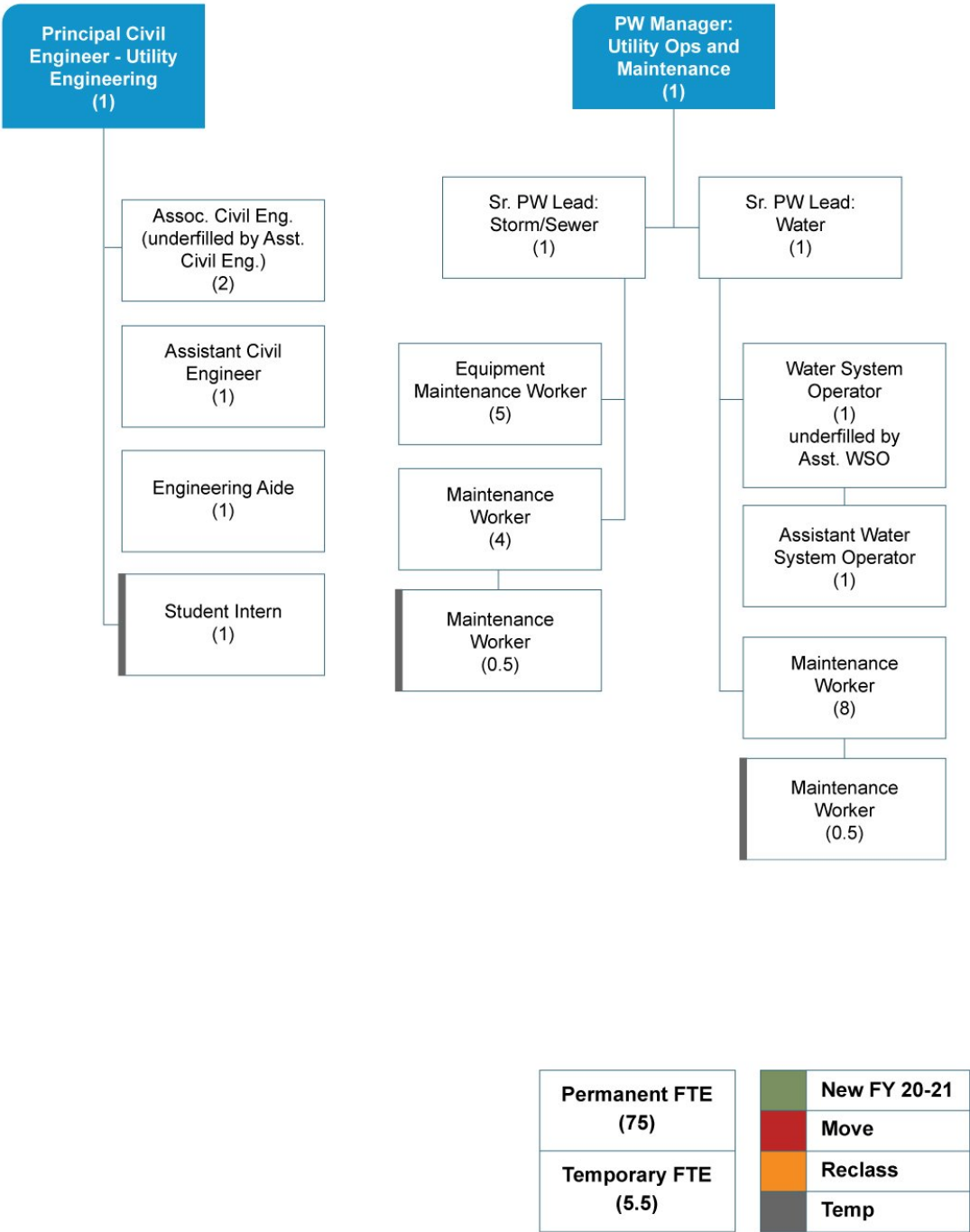


Public Works Department

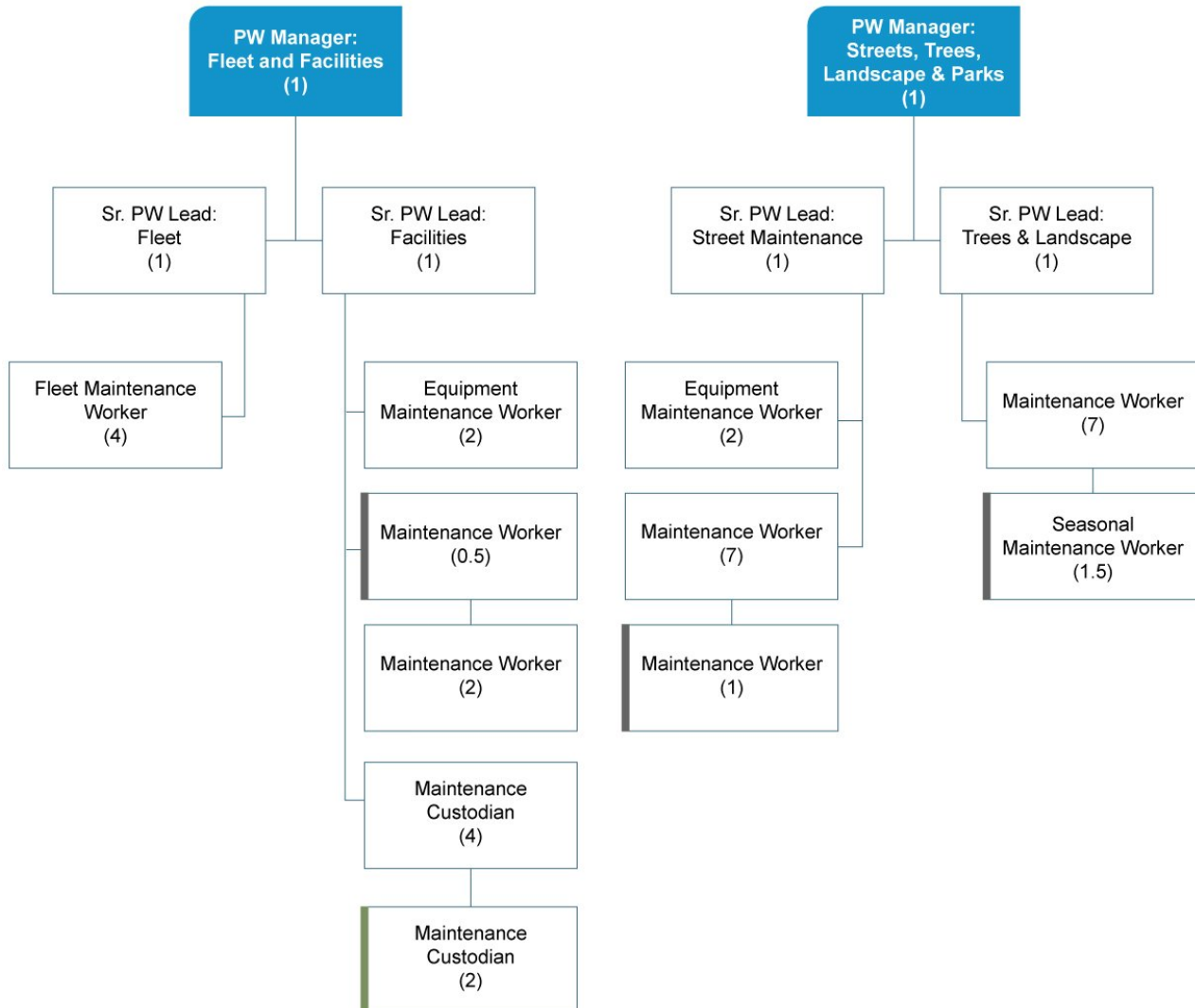


Permanent FTE (75)	New FY 20-21
Temporary FTE (5.5)	Move
	Reclass
	Temp

Public Works Department










Public Works Department



Permanent FTE (75)	New FY 20-21
Temporary FTE (5.5)	Move
	Reclass
	Temp

Accomplishments		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
								
1.	Relaunched the MyMilpitas App and implemented new Computer Maintenance Management System to track work requests in Public Works.	✓	✓	✓		✓	✓	✓
2.	Launched Community Odor Monitoring Pilot Program.		✓				✓	
3.	Completed resiliency projects on key infrastructure in the City in preparation for the PG&E Planned Public Safety Power Shutoff events.	✓					✓	✓
4.	Completed multiple infrastructure replacement, repair, and rehabilitation projects on City buildings, storm pump station wet wells, and water pump stations.	✓	✓					
5.	Implemented the Vehicle Lease Program to green city fleet, including the installation of EV Charging Stations and roll out of hybrid and electric vehicles.		✓	✓				✓
6.	Selected ENGIE through a competitive solicitation process to conduct investment grade audits of City facilities and develop guaranteed energy/water savings and resiliency projects such as solar and battery storage.	✓	✓	✓	✓	✓	✓	✓
7.	Completed RFP to realign City's park maintenance under one maintenance service provider.						✓	✓
8.	Converted 650 City streetlights to LED.		✓	✓				

Initiatives	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
							
1. Provide cost effective maintenance and repair services that meet or exceed industry standards or best practices.	✓	✓	✓		✓	✓	✓
2. Implement asset management programs to ensure the City's assets and infrastructure are updated and well maintained.	✓	✓	✓	✓	✓	✓	✓
3. Develop, support, and retain an exceptionally qualified, well trained, and diverse work force.	✓			✓			✓
4. Utilize technology to enhance services to the community and improve the transfer of information between the Milpitas community and Public Works staff.	✓	✓			✓	✓	✓
5. Update the City's Climate Action Plan and work to meet the City's sustainability goals and ensure compliance with state and federal regulatory agencies to safeguard natural resources for the benefit of the environment, residents, development community, overall quality of life, and more.		✓		✓	✓	✓	✓
6. Complete Water, Sewer, and Storm Master Plans by the end of 2020.	✓	✓					
7. Complete major infrastructure projects, including odor control at Main Lift, installation of new pumps at various pump stations, implement playground safety repair projects.	✓					✓	
8. Implement Energy and Water Savings program (streetlights, irrigation technology, energy efficiencies, solar panels and battery storage)	✓	✓					✓
9. Plant trees per the recommendation of the Urban Forest Management Plan and achieve Tree City USA recognition.		✓					
10. Develop and implement pilot program for parking enforced street sweeping and evaluate cost and effectiveness.	✓	✓			✓		

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Customers surveyed that are satisfied with facility maintenance services	N/A	N/A	90%	100%	90%
Up-time for City vehicles and equipment	N/A	N/A	95%	99%	95%
Graffiti incidents removed in 10 days	N/A	N/A	90%	95%	90%
Water samples meeting or surpassing State and Federal water quality standards	100%	100%	100%	100%	100%
Capital projects completed on schedule and within budget	N/A	N/A	N/A	N/A	N/A
Reduction in community-wide greenhouse gas (GHG) emissions below baseline	N/A	TBD	15%	TBD	TBD

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Street lights repaired and replaced	450	986	650	650	650
Potholes repaired	107	215	150	175	150
City trees pruned	489	1,714	2,500	2,500	2,500
Sanitary sewer pipeline cleaned (linear feet)	492,244	528,051	317,000	100,000	360,000
Number of calls received by DPW Customer Service	13,500	12,500	13,500	13,000	12,500

Budget Summary

DOLLARS BY FUNCTION	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
Compliance	\$0	\$0	\$591,812	\$773,569	\$181,757	30.7 %
Facilities Maintenance	2,245,186	2,961,999	3,155,937	2,805,607	(350,330)	(11.1)%
Fleet Maintenance	1,686,889	1,663,904	1,855,744	1,819,532	(36,212)	(2.0)%
Park Maintenance	1,289,196	1,286,430	1,647,260	1,680,338	33,078	2.0 %
Public Works Administration	1,562,625	2,111,347	2,615,300	2,509,936	(105,364)	(4.0)%
Solid Waste	0	0	756,961	951,697	194,736	25.7 %
Street Maintenance	1,532,451	1,685,925	2,166,137	2,056,685	(109,452)	(5.1)%
Trees & Landscape Maintenance	1,120,924	1,506,706	1,918,880	1,993,616	74,736	3.9 %
Utility Engineering	1,401,442	1,384,124	1,419,205	1,383,773	(35,432)	(2.5)%
Utility Maintenance	3,086,105	3,837,454	5,301,637	5,207,263	(94,374)	(1.8)%
TOTAL	\$13,924,818	\$16,437,889	\$21,428,873	\$21,182,016	\$(246,857)	(1.2)%

DOLLARS BY CATEGORY	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES						
4111 Permanent Salaries	\$4,773,198	\$5,258,392	\$7,301,123	\$7,587,132	\$286,009	3.9 %
4112 Temporary Salaries	152,724	233,149	311,600	371,600	60,000	19.3 %
4113 Overtime	199,188	265,618	297,700	305,700	8,000	2.7 %
4121 Allowances	86,220	113,231	140,000	33,746	(106,254)	(75.9)%
4122 Standby Pay MEA	8,401	0	0	123,682	123,682	0.0 %
4124 Leave Cashout	178,490	216,591	0	0	0	0.0 %
4125 Accrued Leave	21,365	66,969	0	0	0	0.0 %
4126 Stipend MEA	415	0	0	0	0	0.0 %
4131 PERS	1,628,760	1,992,287	2,996,769	2,440,907	(555,862)	(18.5)%
4132 Group Insurance	1,120,992	1,153,051	1,559,796	1,587,350	27,554	1.8 %
4133 Medicare	77,771	87,481	109,739	115,009	5,270	4.8 %
4135 Worker's Compensation	89,688	94,025	61,317	63,113	1,796	2.9 %
4138 Deferred Comp-Employer	11,222	12,073	16,500	18,001	1,501	9.1 %
4139 PARS	1,363	2,565	4,674	4,674	0	0.0 %
4146 Short Term Disability	0	0	14,756	6,130	(8,626)	(58.5)%
4161 Retiree Medical Reserve	284,870	306,272	347,224	483,611	136,387	39.3 %
sub-total	8,634,667	9,801,704	13,161,198	13,140,655	(20,543)	(0.2)%

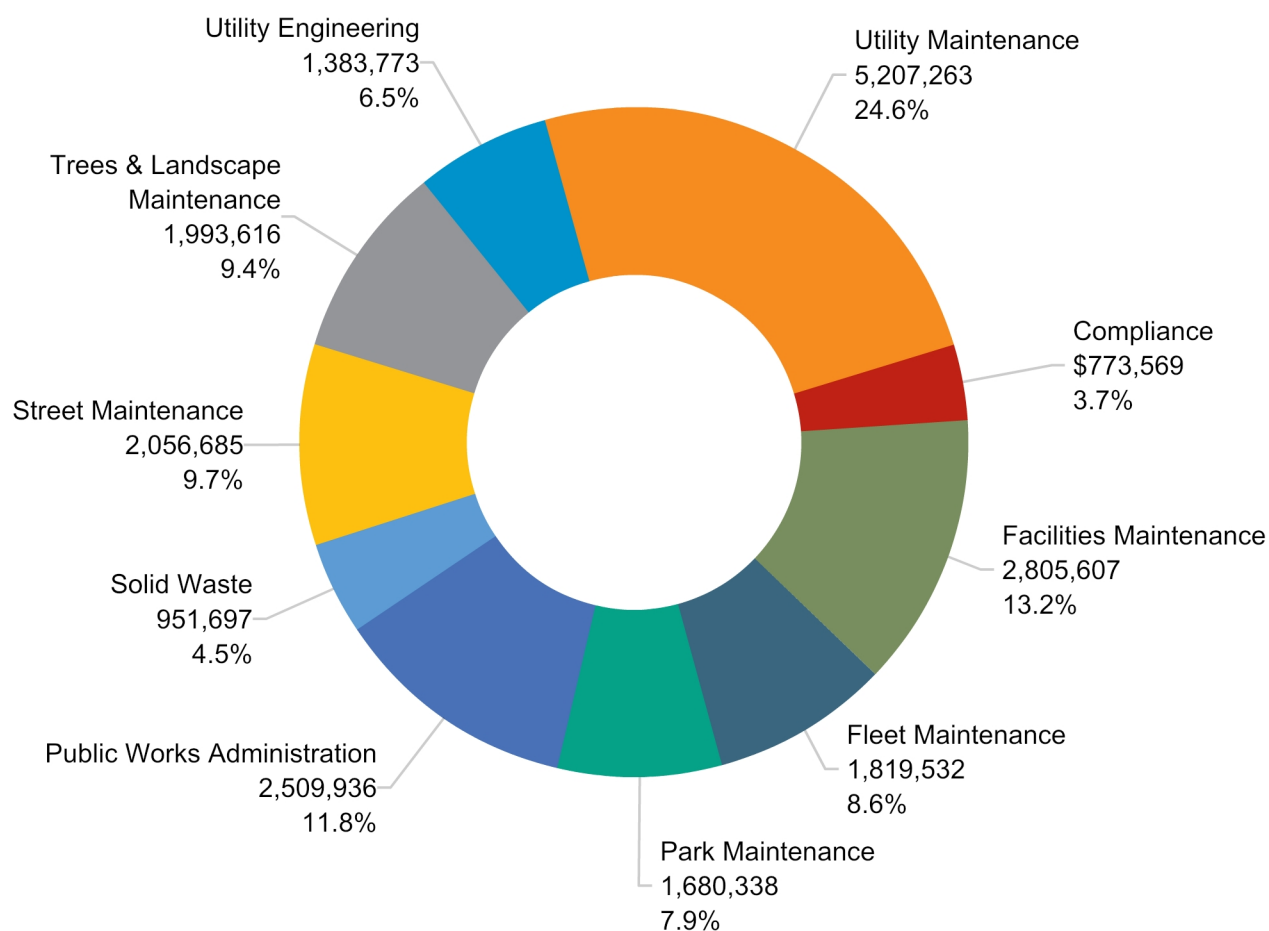
DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion, Grant/ Loan	5,777	0	136,500	236,500	100,000	73.3 %
4210	Department Allocations	597,038	707,507	936,272	990,101	53,829	5.7 %
4220	Supplies	974,434	1,197,864	1,290,546	1,233,446	(57,100)	(4.4)%
4230	Services	3,062,667	3,664,556	4,695,876	4,122,119	(573,757)	(12.2)%
4240	Repair & Maintenance	319,284	591,512	688,100	271,100	(417,000)	(60.6)%
4410	Communications	5,240	6,926	27,960	33,120	5,160	18.5 %
4420	Utilities	111,760	151,318	185,631	188,510	2,879	1.6 %
4500	Training, Travel, & Memberships	50,279	96,638	226,790	226,465	(325)	(0.1)%
sub-total		5,126,479	6,416,321	8,187,675	7,301,361	(886,314)	(10.8)%
CAPITAL OUTLAY							
4850	Vehicles	80,374	221,217	0	0	0	0.0 %
4870	Machinery and Equipment	0	0	0	700,000	700,000	0.0 %
4920	Machinery, Tools & Equipment	0	0	0	0	0	0.0 %
4930	Hydrants and Meters	83,298	(1,353)	80,000	40,000	(40,000)	(50.0)%
sub-total		163,672	219,864	80,000	740,000	660,000	825.0 %
TOTAL		\$13,924,818	\$16,437,889	\$21,428,873	\$21,182,016	\$(246,857)	(1.2)%

Staffing

POSITIONS BY FUNCTION	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Compliance	0.00	0.00	2.00	2.00	0.00
Facilities Maintenance	9.00	9.00	10.00	10.00	0.00
Fleet Maintenance	5.00	5.00	5.00	5.00	0.00
Park Maintenance	0.00	0.00	0.00	0.00	0.00
Public Works Administration	8.00	10.00	10.00	10.00	0.00
Solid Waste	0.00	0.00	3.00	3.00	0.00
Street Maintenance	10.00	10.00	10.00	10.00	0.00
Trees & Landscape Maintenance	7.00	7.00	8.00	10.00	2.00
Utility Engineering	7.00	7.00	5.00	5.00	0.00
Utility Maintenance	19.00	20.00	20.00	20.00	0.00
TOTAL	65.00	68.00	73.00	75.00	2.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Administrative Analyst I	0.00	1.00	1.00	1.00	0.00
Administrative Analyst II	1.00	1.00	2.00	2.00	0.00
Assistant Civil Engineer	1.00	1.00	1.00	1.00	0.00
Assistant Water Operator	1.00	1.00	1.00	1.00	0.00
Associate Civil Engineer	2.00	2.00	2.00	2.00	0.00
Deputy Public Works Director	1.00	1.00	1.00	1.00	0.00
Engineering Aide	1.00	1.00	1.00	1.00	0.00
Envir & Regulatory Comply Spec	0.00	1.00	1.00	1.00	0.00
Environmental Inspector	0.00	0.00	1.00	1.00	0.00
Equipment Maint Worker II	3.00	3.00	4.00	4.00	0.00
Equipment Maint Worker III	4.00	4.00	5.00	5.00	0.00
Fleet Maintenance Worker II	3.00	3.00	3.00	3.00	0.00
Fleet Maintenance Worker III	1.00	1.00	1.00	1.00	0.00
Maintenance Custodian II	3.00	3.00	3.00	4.00	1.00
Maintenance Custodian III	1.00	1.00	1.00	2.00	1.00
Maintenance Worker I	3.00	3.00	3.00	3.00	0.00
Maintenance Worker II	17.00	17.00	16.00	16.00	0.00
Maintenance Worker III	8.00	8.00	9.00	9.00	0.00
Office Assistant II	1.00	1.00	1.00	1.00	0.00
Office Specialist	1.00	1.00	1.00	1.00	0.00
Principal Civil Engineer	1.00	1.00	1.00	1.00	0.00
Public Works Director	1.00	1.00	1.00	1.00	0.00
Public Works Manager	3.00	3.00	3.00	3.00	0.00
Senior Administrative Analyst	2.00	2.00	3.00	3.00	0.00
Senior Public Works Lead	5.00	6.00	6.00	6.00	0.00
Water System Operator	1.00	1.00	1.00	1.00	0.00
Total Positions	65.00	68.00	73.00	75.00	2.00

Expenditures by Function
















Budget Reconciliation




	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	73.00	\$9,258,950	\$12,169,923	\$21,428,873
One-Time Prior Year Budget Adjustments				
Contractual Services (Connection Fee Study \$46k, CoGen Decommissioning \$27k)		(27,000)	(46,000)	(73,000)
Repairs & Maintenance (Hydroexcavator Repairs)			(30,000)	(30,000)
One-Time Prior Year Budget Adjustments	0.00	(27,000)	(76,000)	(103,000)








	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
Adjustments to Costs of Ongoing Activities				
Reallocation of Activities from Water Fund & Sewer Fund to General Fund (Storm Drain) Total \$213,916				
Salary and Benefits		27,280	(27,280)	0
Contractual Services (Peninsula Pump \$62,440, Petersen CAT \$40,000, Odyssey \$17,961)		120,401	(120,401)	0
Supplies (\$17,500), Repairs & Maintenance (\$10,000), Training (\$1,750), Communications (\$1,400)		30,650	(30,650)	0
Ongoing Activities				
Reallocation of On-Call Contractual Services (\$262,600) and Repairs and Maintenance (\$392,000) to Capital Improvement Projects		(192,600)	(462,000)	(654,600)
Salary and Benefits		81,688	(330,158)	(248,470)
Contractual Services (Parks Maintenance Contract \$192,376, Council approved 3/3/2020)		(62,175)	77,832	15,657
Contractual Services (Accutite \$40,175, Trash Basin Devices \$21,630, SeeClickFix \$18,000, Lucity Software \$17,000, and Otis Elevator \$13,000)		83,805	26,000	109,805
Equipment Replacement Amortization		54,053	(224)	53,829
Various Non-Personnel Expenditure Increases			12,265	12,265
Capital Outlay (Hydrants and Meters)			(40,000)	(40,000)
Adjustments to Costs of Ongoing Activities	0.00	143,102	(894,616)	(751,514)
Total FY2020-21 Base Budget	73.00	9,375,052	11,199,307	20,574,359
Service Level Changes				
Portable Generators for Water Pump Stations		0	500,000	500,000
Portable Generator for Sewer Pump Stations		0	200,000	200,000
Neighborhood Cleanup		64,000	20,000	84,000
Recycle Right and Food Waste Prevention Education		0	80,000	80,000
Janitorial Services Staffing	2.00	(65,273)	0	(65,273)
Non-Personnel Expenditure Reduction		(191,070)	0	(191,070)
Total Service Level Changes	2.00	(192,343)	800,000	607,657
Total FY 2020-21 Budget	75.00	\$9,182,709	\$11,999,307	\$21,182,016

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1.	Portable Generators for Water Pump Stations	0.00	\$0	\$500,000	\$500,000
	<p>This action provides one-time funding for the acquisition of three portable generators, which will be assigned to water pump stations. In preparation for catastrophic power failure events such as Public Safety Power Shutoff events (PSPS), earthquakes, and other events that could trigger a power failure, portable backup generators are necessary to ensure power continues at the City's critical pump stations. Specifically, the City has hillside communities that have drinking water pumped up hill. The pumping facilities are operated by electric pumps and would not be able to function without power. Hillside water storage tanks could provide water for 1 to 2 days. PSPS events such as those experienced last summer could shut down power for up to 7 days.</p> <p>Although staff applied for a 2019-20 Public Safety Power Shutoff (PSPS) Resiliency Allocation grant for up to \$500,000 through Cal OES, the City was notified that the City's grant application was not awarded.</p>				
	Performance Results:	  			
	Installation of the portable generators will improve the resiliency of the water system and ensure water supply to all utility customers.				
	Impact if funding is not approved				
	If the portable generators are not funded, in the event of extended losses of power, such as those resulting from PG&E PSPS events, hillside customers could be without water for multiple days.				
2.	Portable Generator for Sewer Pump Stations	0.00	\$0	\$200,000	\$200,000
	<p>This action will add one portable trailer generator at Venus Pump Station to increase the resiliency of the sewer system pumping sewage to the San Jose/Santa Clara Regional Wastewater Facility.</p>				
	Performance Results:	  			
	The purchase of a portable generator for Venus Pump Station will improve the City's ability to continue to pump sewage out of the City in the event of a power failure.				
	Impact if funding is not approved				
	If the portable trailer generator is not funded, the pumps at Venus Pump Station will not function in the event of a power failure potentially causing sewage back-up.				

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
3. Neighborhood Cleanup	0.00	\$64,000	\$20,000	\$84,000
	In response to a City Council referral, this action adds funding for Neighborhood Cleanups (i.e. Dumpster Days) for the community. This proposal is based on the Neighborhood Cleanup program offered previously by the City whereby the City is divided into two main areas and twice a year debris boxes will be located at either local schools or neighborhood parks for each City area with each of the four events estimated to cost \$21,000 for a total of \$84,000. Residents in the designated area are able to bring unwanted materials, furniture, or appliances to the debris boxes for disposal or recycling. Milpitas Sanitation would provide and haul the debris boxes. Public Works staff are also needed to provide traffic control, monitor debris boxes, and assist residents. This funding will pay MSI for providing dumpsters, disposal costs, and recycling; publicizing of the events; and overtime for Public Works staff to oversee the events.			
Performance Results:	   			
This action contributes to the City's goal of reducing trash, illegal dumping, and blight.				
Impact if funding is not approved				
If not funded, residents will need to continue to use existing resources provided through the MSI contract such as the free large item pick up service.				

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
4.	Recycle Right and Food Waste Prevention Education	0.00	\$0	\$80,000	\$80,000
	<p>This action funds contractual services and supplies for community education efforts to increase recycling and prevent food waste. In 2011, the Legislature and Governor Brown set an ambitious goal of 75 percent recycling, composting, or source reduction of solid waste by 2020, calling for the state and CalRecycle to take a statewide approach to decreasing California's reliance on landfills (AB 341). In September 2016, Governor Brown signed SB 1383, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants (SLCP) in various sectors of California's economy. As it pertains to CalRecycle, SB 1383 directs California to reduce the statewide disposal of organic waste, as landfilled organic waste emits methane gas and contributes to climate change. SB 1383 requires communities to implement organics diversion programs for residents and businesses that diverts food waste from landfill. Additionally due to China's National Sword Policy, international recyclables markets are enforcing more stringent levels of acceptable contamination and in order to maximize marketability, collected recyclables streams need to be cleaner.</p> <p>These State laws are placing requirements on cities to divert recyclables and organics from landfill. The City is required to implement a mandatory commercial recycling (MCR) and mandatory commercial organics (MCO) waste recycling program that includes education, outreach, and monitoring of regulated/covered businesses and inspection of residential collection containers. A more robust education campaign is needed to respond to these State mandates and international recyclables markets to ensure that residents and businesses understand and participate properly in the City's programs. Funding will be used to develop and implement a robust education campaign targeting Milpitas businesses and residents through multiple channels such as social media, events, presentations, print media, and site visits. Materials will be produced in multi-languages.</p> <p>The City submits an annual report, as required by Public Resources Code (PRC) Section 41821, describing the jurisdiction's self-assessment of its program in implementing the Integrated Waste Management Act and must meet the requirements listed in Title 14, California Code of Regulations (14 CCR) Section 18794. CalRecycle reviews the Annual Report and other data to determine if the jurisdiction has implemented the solid waste diversion programs it selected and whether it has met the IWMA goals.</p>				
Performance Results:		 			
<p>This action will fund the development and implementation of a comprehensive communications plan to commercial and residential customers in support of the State's source reduction and greenhouse reduction goals.</p>					
Impact if funding is not approved					
<p>If this action is not funded, the City may not be able to achieve the mandated waste diversion goals.</p>					

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
5.	Janitorial Services Staffing	2.00	\$(65,273)	\$0	\$(65,273)
	This action adds 1.0 Maintenance Custodian III position and 1.0 Maintenance Custodian II position to improve janitorial services at City facilities (Sports Center, Community Center, Senior Center, Police Department, Police Substation, and Sal Cracolice) offset with a reduction in contractual services. Adding in-house custodial services through the reduction of locations serviced by the janitorial service contract will improve customer service and allow for increased flexibility of scheduling janitorial services in City rental facilities. Currently, contract staff have fixed times in which they perform their janitorial services at City facilities. The fixed times often conflict with after-hours reservations and rentals at City facilities. This inflexibility results in rental spaces having a reduced quality of service when reservations overlap with janitorial periods. Further, the contractor has experienced a significant amount of staff turnover. By having in-house staff perform work at the Police Building and Police Substation facilities, the City is providing an additional layer of control for these secured facilities. As a crew lead, the Maintenance Custodian III would oversee the work of two (2) Maintenance Custodian I/II.				
	Performance Results:	   			
	Adding additional in-house custodial services through the reduction of locations serviced by the janitorial contract will improve customer service and allow for increased flexibility of scheduling janitorial services in City rental facilities.				
	Impact if funding is not approved				
	If this action is not approved, the City will continue with maintaining its facilities with lower quality janitorial services at a higher cost.				
6.	Non-Personnel Expenditure Reduction	0.00	\$(191,070)	\$0	\$(191,070)
	This action reduces contractual services, repair and maintenance, supplies, and training and travel budget allocations consistent with recent expenditure history while ensuring sufficient funding for specialized and safety related training.				
	Performance Results:				
	This reduction will minimally impact service delivery.				
	Impact if funding is not approved				
	Not applicable.				
Total Service Level Changes		2.00	\$(192,343)	\$800,000	\$607,657



Recreation and Community Services

Recreation and Community Services Director: Renee Lorentzen

Mission Statement

The City of Milpitas Recreation and Community Services Department's mission is to enrich our community through exceptional programs and services. Our vision is a Milpitas where all residents have access to excellent, affordable, innovative and well-run recreation activities, programs, facilities and community services. Our work encourages cultural unity and hometown pride, creates a sense of place, supports economic development, promotes health and wellness, fosters human development, addresses important social service needs and adds fun to the lives of those who live and work in Milpitas.

Description

The department provides recreational opportunities and experiences, community and social services, and park and facility rentals for all residents and visitors of Milpitas. The department is committed to providing the highest standard of excellence in public service through our programs, events, and interactions with the community. The department strives to create a sense of community, support economic development, promote health and wellness, increase cultural awareness and facilitate solutions to community needs. The department monitors daily operation at three Full Service Recreation Centers and three Satellite centers. It also oversees and offers a Recreational Assistance program for low income residents.



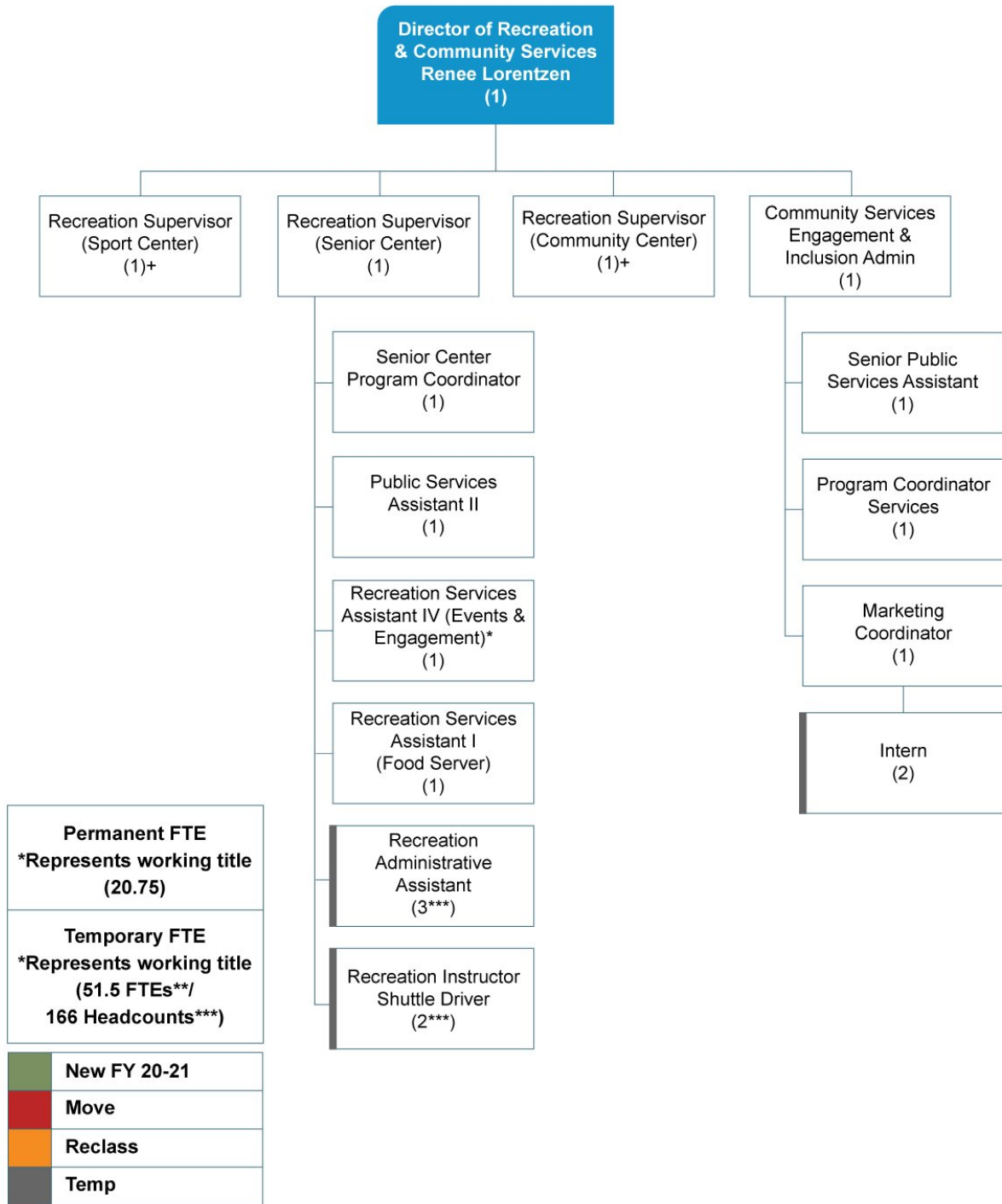
Services

- Oversees daily operations, including indoor/outdoor recreation facility rentals, registration services, sponsorship and donor relationships, marketing and promotions, publishes Recreation Activity Guide, and currently staffs six City Commissions. Provides a volunteer program for individuals to help serve their community.
- Qualifies eligible Milpitas residents for the Milpitas Assistance Program (MAP), which provides fee discounts or subsidies for Recreation Programs, Water Utilities Bill, and Building permit fee waivers for water heater, and central heat and air installation/improvements.
- Oversees Senior Center daily operations, including a daily congregate lunch program in partnership with Santa Clara County, a wide variety of drop-in programs, trips, recreation classes, specials events, social services and transportation shuttle.
- Provides youth programs and care, including a daily afternoon Teen Center; after-school LYFE programming at both Milpitas middle schools and After the Bell programming at seven elementary schools; daily pre-K enrichment program; summer and school break camps; and a youth work-study program.
- Offers recreation classes for all ages at various locations.
- Offers Cultural Arts program, including Milpitas Community Theatre, Milpitas Community Concert Band, Phantom Art Gallery, and the Milpitas Art and Cultural Grant Program.
- Oversees daily operations of the Community Center including recreation class provider management, and produces close to 40 city-wide special events annually, including the annual Fourth of July Celebration, Pumpkins in the Park, Tree Lighting, Memorial and Veterans Day ceremonies, Milpitas Pride, summer concerts, outdoor movies, cultural flag raising ceremonies, seasonal family events, ground breakings and park openings.



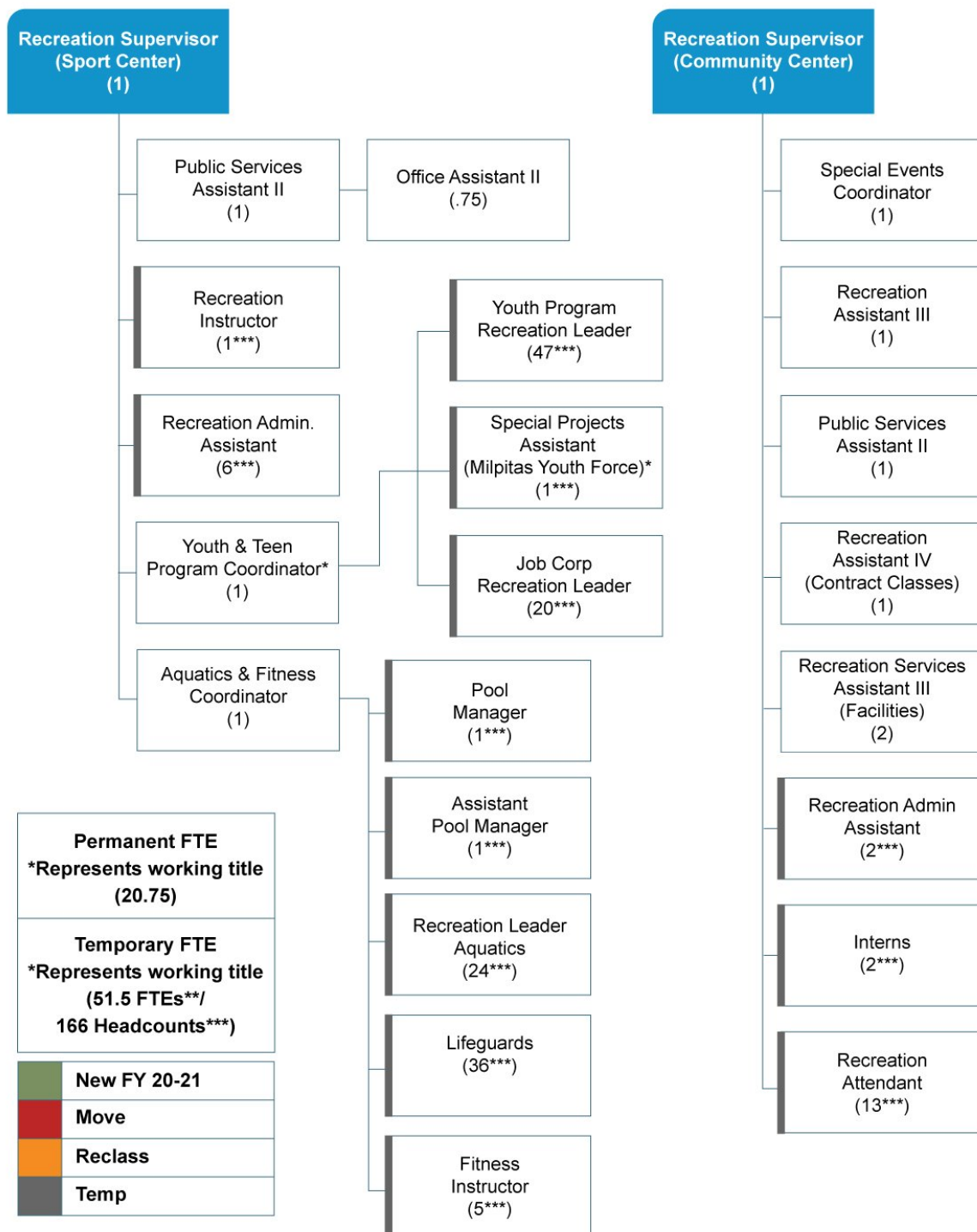
- Oversees Sports Center daily operations, including Fitness Center, fitness and wellness classes, personal training, aquatic classes, lap swimming, adult and youth sports programs, indoor and outdoor sports facility and field usage and coordination with local sports organizations.

Recreation and Community Services Department










+Detailed org chart
on following pages

Recreation and Community Services Department



		Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance & Administration
	Accomplishments							
1.	Implemented the Milpitas Assistance Program, serving 340+ applicants in the initial enrollment period.					✓	✓	✓
2.	Initiated the Parks and Recreation Master Plan Update.				✓	✓	✓	✓
3.	Expanded general class offerings including additional swim lesson seasons, college tours, life skills classes and teen testing support services.	✓				✓	✓	
4.	Implemented the Suicide Prevention Policy with the formation of Milpitas HOPE (suicide prevention task force) and hosting trainings and resources for the community.	✓				✓	✓	
5.	Supported seven (7) City Commissions and Subcommittees at approximately 30 meetings over a seven month period.						✓	
6.	Added five (5) new classes/activities for Senior Center members, to promote the service and interaction of our diverse senior population.					✓	✓	
7.	Collaborated on several large Capital Improvement Projects, including the Snack Shack Renovation, new Skate Park, Creighton Park Renovation, and Alviso Adobe Interior Restoration					✓	✓	

	Initiatives							
1.	Complete and evaluate the first full year of the Milpitas Assistance Program					✓	✓	✓
2.	Conduct marketing focus groups regarding recreation programs and services offered with various cultural segments represented in the community.						✓	✓
3.	Complete first full season of "Milpitas Arts" programs and evaluate for improvements.					✓	✓	
4.	Host a series of pop-up events encouraging teens and young adults to pre-register/register to vote.					✓	✓	
5.	Broaden Transportation Services for Senior Center members through collaboration with local senior living facilities and businesses.		✓	✓		✓	✓	

Performance and Workload Measures

PERFORMANCE MEASURES	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Estimate	FY 20-21 Target
Customer Service satisfaction surveys rating Good or Excellent	N/A	90%	93%	93%	95%
Increase in number of residents served	4%	7.9%	6.5%	9%	6%
Number of Park Acres per 1,000 Residents *	1.88	1.94	1.95	1.95	1.95

ACTIVITY AND WORKLOAD DATA	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Forecast	FY 19-20 Estimate	FY 20-21 Forecast
Recreation Program and Class Fees Revenue	\$2,252,234	\$2,413,833	\$2,650,000	\$2,700,000	\$2,700,00
Number of Social Media Engagements **	4,554	1,785	10,179	5,000	6,000
Facility and Park Rental Revenue	\$238,579	\$183,380	\$254,386	\$212,310	\$220,000
Number of Community Events Offered	33	35	37	37	40

* 3 acres per 1,000 residents - Quimby Act Standards (above acreage does not include Ed Levin Park County Park)

** Social media analytic tools for Recreation channels, plus manual counts for Recreation posts on Citywide channels. Beginning with FY 2018-19 Actual, Recreation and Community Services is counting only its own department post engagements. Prior to hire of Public Information Officer, Recreation handled all social media for City, so counts were based on social media posts by Recreation on behalf of all City Departments.

Budget Summary

DOLLARS BY FUNCTION	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
Aquatics	356,292	456,825	442,559	394,559	(48,000)	(10.8)%
General Classes	415,034	408,113	513,801	463,900	(49,901)	(9.7)%
Marketing	210,603	236,790	269,686	254,091	(15,595)	(5.8)%
Performing Arts	88,800	54,023	84,900	84,900	0	0.0 %
Recreation Administration	1,260,735	1,503,882	1,898,483	2,016,833	118,350	6.2 %
Senior Citizen Services	796,445	830,590	972,329	915,052	(57,277)	(5.9)%
Special Events	371,940	387,077	523,084	562,794	39,710	7.6 %
Sports & Fitness	399,757	394,497	685,630	687,340	1,710	0.2 %
Youth Program	609,899	871,803	1,072,755	999,787	(72,968)	(6.8)%
TOTAL	\$4,509,505	\$5,143,600	\$6,463,227	\$6,379,256	\$(83,971)	(1.3)%

DOLLARS BY CATEGORY	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
PERSONNEL SERVICES						
4111 Permanent Salaries	\$1,274,986	\$1,407,452	\$1,764,737	\$1,982,660	\$217,923	12.3 %
4112 Temporary Salaries	1,004,864	1,284,004	1,778,049	1,643,579	(134,470)	(7.6)%
4113 Overtime	12,472	9,249	31,700	35,000	3,300	10.4 %
4121 Allowances	0	0	0	6,600	6,600	0.0 %
4124 Leave Cashout	29,139	40,430	0	0	0	0.0 %
4131 PERS	432,390	526,094	725,123	632,868	(92,255)	(12.7)%
4132 Group Insurance	291,379	338,291	433,077	454,830	21,753	5.0 %
4133 Medicare	33,760	39,895	53,633	54,469	836	1.6 %
4135 Worker's Compensation	20,607	8,641	30,691	31,942	1,251	4.1 %
4138 Deferred Comp-Employer	13,433	12,909	23,344	18,675	(4,669)	(20.0)%
4139 PARS	15,119	19,475	21,334	26,907	5,573	26.1 %
4146 Short Term Disability	0	0	4,097	1,743	(2,354)	(57.5)%
4161 Retiree Medical Reserve	67,129	80,875	88,360	90,810	2,450	2.8 %
sub-total	3,195,278	3,767,315	4,954,145	4,980,083	25,938	0.5 %

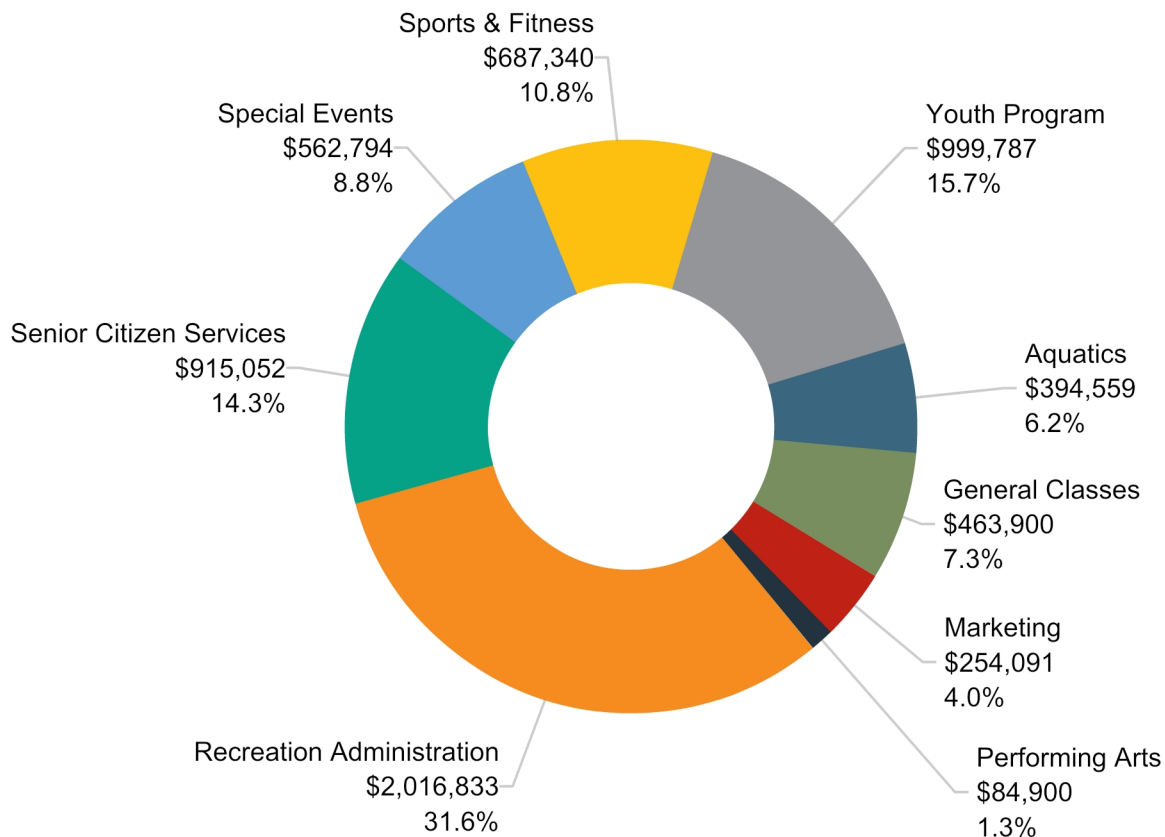
DOLLARS BY CATEGORY		2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed	FY 2021 Change \$	FY 2021 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion, Grant/ Loan	17,270	29,413	58,500	51,200	(7,300)	(12.5)%
4210	Department Allocations	68,924	61,754	100,314	97,174	(3,140)	(3.1)%
4220	Supplies	376,708	431,724	528,072	496,192	(31,880)	(6.0)%
4230	Services	811,534	842,784	794,202	732,602	(61,600)	(7.8)%
4240	Repair & Maintenance	0	0	1,600	1,600	0	0.0 %
4500	Training, Travel, & Memberships	9,631	9,050	22,925	18,425	(4,500)	(19.6)%
4600	Insurance, Settlements & Contingency	1,560	1,560	1,980	1,980	0	0.0 %
sub-total		1,285,627	1,376,285	1,507,593	1,399,173	(108,420)	(7.2)%
CAPITAL OUTLAY							
4850	Vehicles	0	0	1,489	0	(1,489)	(100.0)%
4920	Machinery, Tools & Equipment	28,600	0	0	0	0	0.0 %
sub-total		28,600	0	1,489	0	(1,489)	(100.0)%
TOTAL		\$4,509,505	\$5,143,600	\$6,463,227	\$6,379,256	\$(83,971)	(1.3)%

Staffing

POSITIONS BY FUNCTION	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Adult Sports	0.00	0.00	0.00	0.00	0.00
Aquatics	0.00	0.00	0.00	0.00	0.00
General Classes	0.00	1.00	1.00	1.00	0.00
Marketing	1.00	1.00	1.00	1.00	0.00
Performing Arts	0.00	0.00	0.00	0.00	0.00
Pre-K Enrichment	0.00	0.00	0.00	0.00	0.00
Recreation Administration	6.00	7.00	8.00	8.00	0.00
Senior Citizen Services	4.75	5.00	5.00	5.00	0.00
Special Events	1.00	1.00	2.00	2.00	0.00
Sports & Fitness	2.00	2.00	2.75	2.75	0.00
Volunteer Services	0.00	0.00	0.00	0.00	0.00
Youth Program	1.00	1.00	1.00	1.00	0.00
TOTAL	15.75	18.00	20.75	20.75	0.00

POSITIONS	2017-18 Adopted	2018-19 Adopted	2019-20 Adopted	2020-21 Proposed	FY 2021 Change
Case Manager	1.00	1.00	0.00	0.00	0.00
Community Svc Eng & Inc Admin	0.00	1.00	1.00	1.00	0.00
Director of Rec & Comm Svcs	1.00	1.00	1.00	1.00	0.00
Marketing Coordinator	1.00	1.00	1.00	1.00	0.00
Office Assistant II	0.00	0.00	0.75	0.75	0.00
Program Coordinator	4.00	4.00	5.00	5.00	0.00
Public Services Assistant I/II	2.00	2.00	3.00	3.00	0.00
Recreation Services Asst I/II	0.75	1.00	1.00	1.00	0.00
Recreation Services Asst III	1.00	1.00	2.00	2.00	0.00
Recreation Services Asst IV	1.00	2.00	2.00	2.00	0.00
Recreation Services Supervisor	3.00	3.00	3.00	3.00	0.00
Sr Public Services Assistant	1.00	1.00	1.00	1.00	0.00
Total Positions	15.75	18.00	20.75	20.75	0.00







Expenditures by Function





Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	20.75	\$6,463,227	\$0	\$6,463,227
One-Time Prior Year Budget Adjustments				
Utility Gator		(1,489)	0	(1,489)
One-Time Prior Year Budget Adjustments	0.00	(1,489)	0	(1,489)
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		144,067		144,067
Equipment Replacement Amortization		(3,140)		(3,140)
Adjustments to Costs of Ongoing Activities	0.00	140,927	0	140,927
Total FY2020-21 Base Budget	20.75	6,602,665	0	6,602,665
Service Level Changes				
After School Program Enhancement		13,341		13,341
Personnel and Non-Personnel Expenditure Reduction		(236,750)		(236,750)
Total Service Level Changes	0.00	(223,409)	0	(223,409)
Total FY 2020-21 Budget	20.75	\$6,379,256	\$0	\$6,379,256

Service Level Changes

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1. After School Program Enhancement	0.00	\$13,341	\$0	\$13,341
 <p>The City of Milpitas began providing After the Bell (ATB) child care services at Pomeroy Elementary School in August 2017. This program provides affordable, high quality child care, conveniently at the school site, to serve 60 children. Since its inception, the program is at capacity. This year there are 27 children on the waiting list for openings. The school and parents have repeatedly requested that the program be expanded, and the physical space where the program is housed could easily accommodate more children. By adding one part-time staff member, the City could serve an additional 15 children. As ATB is a revenue generating program, the personnel expense of adding an additional staff member would likely would be fully offset by participant tuition fees. The exact offset is unknown, because some participants in this program are eligible for the Milpitas Assistance Program and are expected to use their allotted discounts to reduce their fee by as much as 75%. Although the waiting list demand could theoretically warrant an even larger expansion of up to 30 children or 50%, the incremental expansion allows the program to grow while maintaining the personal quality and experience that returning families have grown to expect.</p>				
Performance Results:	    			
A Pomeroy After the Bell Expansion will allow the City to serve 15 additional children through the program, or an increase of 25%.				
Impact if funding is not approved				
If these 15 additional slots are not approved, 15 resident children may not have childcare and are forced to walk home without adult supervision. Further, not approving this action may result in families paying more of their incomes toward child care, selecting lower quality providers, opting to allow elementary aged children to go unsupervised or be supervised by older siblings. The program will continue to serve its capacity of 60 children.				

2.	Personnel and Non-Personnel Expenditure Reduction	0.00	\$(236,750)	\$0	\$(236,750)
	<p>This action reduces temporary salary, overtime, contractual services, supplies, and membership budget allocations consistent with recent expenditure history partially offset with donations received over the past several years for Special Events, Youth Programs, Youth Aquatics Programs, and Senior Programs. Specific to Special events cost reductions, staff is proposing to further simplify the programs and/or develop a program in which the cultural community signs up to host the ceremony with strict City guidelines, and in-kind support only. The budget reductions for Youth programs reflect a reduction of contract services for youth counseling. This contractual service has not been utilized despite long term attempts asking teens to make appointments or drop in to see a counselor. In lieu of referring teens to a counselor contracted by the City, we will refer them to free resources (County Behavioral Health) and scheduled seminars and trainings which have had more success.</p>				
Performance Results:					
<p>This reduction will have minimal impact on service delivery.</p>					
Impact if funding is not approved					
<p>Not applicable.</p>					

Total Service Level Changes	0.00	\$(223,409)	\$0	\$(223,409)
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Non-Departmental

Description

This category funds a variety of activities that are not specific to any one department. Personnel Services include expenditures not budgeted in the individual departments such as vacation and leave cashouts, benefit administration fees, and self-funded unemployment insurance. Supplies and Contractual Services include centralized copier costs for City Hall, utility payments and citywide tuition reimbursement. Sewer treatment plant maintenance and operation are funded in this category, as are all water purchases for the water fund. This category also funds debt service as well as equipment and vehicle expenditures.

Expenditure Analysis

Personnel Services

(\$0.9) million will fund vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment benefits, and also incorporate a 3% vacancy factor in the General Fund.

Debt Services

\$639,200 scheduled to pay the principal and interest due on the 2017 Wastewater Revenue Refunding Bonds for the sewer system and interfund loan. \$1,045,650 is the payment for the principal and interest due on the 2019 Water Bonds, and \$1,808,200 is for the 2019 Wastewater Bond.

Services and Supplies

\$9,429,908 is for Treatment Plant fees; \$4,184,000 is for gas, electric, and water utilities; \$16,898,340 is for water purchases; \$1,525,697 is for recycled water purchase. A total of \$30,000 is reflected in this function for citywide tuition reimbursement. \$1,115,950 is budget based on preliminary estimate of the City's insurance premium with PLAN JPA for the 2020-21 fiscal year. \$271,000 is also included for costs related to a green vehicle lease program for 43 vehicles in FY 2020-21 that do not currently have replacement funding. All of these vehicles are 10 years and older and are proposed to be replaced with hybrid and electric vehicles. \$444,000 is also included for the Citywide Rate Assistance Program for Building and Planning fees and Water and Sewer Utility bills.

Equipment Replacement

\$874,331 is for equipment replacement from monies that are available in the Equipment Replacement Fund.



	Grand Total	General Fund ⁽¹⁾
Personnel Services		
4124 Leave Cashout	\$700,000	\$650,000
4131 PERS	33,500	30,000
4132 Group Insurance	23,000	20,000
4136 Unemployment	85,000	77,000
4137 MOU Contractual Agreements	1,168,000	1,051,200
4141 Adjustments-Payroll	(2,793,627)	(2,793,627)
4161 Retiree Medical Reserve	(142,351)	(133,445)
sub-total	(926,478)	(1,098,872)
Supplies & Contractual Services		
4209 Rate Assistance Program	443,747	443,747
4212 Vehicle Lease Charges	271,000	271,000
4237 Contractual Services	287,200	73,800
4239 Audit Fees	97,000	65,000
4241 Repair & Maintenance	15,000	0
4242 Rents & Leases	196,624	160,624
4253 ABAG Attorney's Fees	300,000	160,000
4254 ABAG Settlements	170,000	75,000
4280 Elections	120,000	120,000
4421 Utilities-Gas	225,000	207,000
4422 Utilities-Electric	2,600,000	1,677,000
4423 Utilities-Water	1,359,000	1,205,500
4424 SFWD, Wholesale Water Purchase	11,848,753	0
4425 SCVWD, Wholesale Water Purchase	5,049,587	0
4426 Utilities - Solid Waste	5,000	0
4427 Recycled Water Purchase	1,525,697	0
4429 Treatment Plant, M&O	9,429,908	0
4509 Tuition Reimbursement	30,000	24,000
4602 Cybersecurity, Liability, Property Insurance	1,155,950	800,000
4610 Uncollectible Accounts	150,000	50,000
4611 Collection Fees	22,000	7,500
4640 Unanticipated Expenditures Reserve	1,200,000	1,200,000
sub-total	36,501,466	6,540,171
Debt Service		
4701 Retirement of Principal	1,250,000	0
4711 Interest Expense	2,318,050	0
sub-total	3,568,050	0
Capital Outlay		
4851 Vehicles	704,366	143,960
4873 Machinery & Equipment	169,965	39,424
sub-total	874,331	183,384
TOTAL	\$40,017,369	\$5,624,683

(1) General Fund, Abandon Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.

(2) Other Funds include Community Benefit Fund, Community Facility District Funds, Community Planning Fee Fund, Gas Tax Fund, Equipment Replacement Fund, Housing and Community Development Fund, Information Technology Replacement Fund, Law Enforcement Grant Funds, Light & Landscape Maintenance District Funds, Measure B Fund, Permit Automation Fund, Public Art Fund, and Solid Waste Services Fund.

Housing Authority	Other Funds ⁽²⁾	Capital Projects ⁽³⁾	Water Fund ⁽⁴⁾	Sewer Fund ⁽⁵⁾
\$0	\$0	\$0	\$25,000	\$25,000
0	0	0	1,750	1,750
0	0	0	1,500	1,500
0	0	0	4,000	4,000
0	0	0	58,400	58,400
0	0	0	0	0
0	0	0	(5,195)	(3,711)
0	0	0	85,455	86,939
0	0	0	0	0
0	0	0	0	0
81,050	108,000	0	7,900	16,450
0	7,000	0	12,500	12,500
15,000	0	0	0	0
0	36,000	0	0	0
0	0	0	40,000	100,000
0	0	0	25,000	70,000
0	0	0	0	0
0	0	0	9,000	9,000
0	0	0	650,000	273,000
5,000	0	0	121,500	27,000
0	0	0	11,848,753	0
0	0	0	5,049,587	0
5,000	0	0	0	0
0	0	0	1,525,697	0
0	0	0	0	9,429,908
0	0	0	3,000	3,000
950	95,000	0	65,000	195,000
0	0	0	50,000	50,000
0	0	0	8,500	6,000
0	0	0	0	0
107,000	246,000	0	19,416,437	10,191,858
0	0	0	290,000	960,000
0	0	75,000	755,650	1,487,400
0	0	75,000	1,045,650	2,447,400
0	560,406	0	0	0
0	130,541	0	0	0
0	690,947	0	0	0
\$107,000	\$936,947	\$75,000	\$20,547,542	\$12,726,197

(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

(4) Water Fund includes Water Maintenance & Operations Fund, 2019 Water Bond Fund, Water CIP Fund, Water Line Extension Fund, and Water Infrastructure Replacement Fund.

(5) Sewer Fund includes Sewer Operations Fund, 2019 Sewer Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund, 2017 Sewer Refunding Bonds, and Sewer Infrastructure Replacement Fund.



Capital Improvement Program Overview

On April 14, the City Council held a Study Session and discussed the Draft FY 2020-2025 Capital Improvement Program (CIP). A summary of the draft CIP by project category follows this introductory discussion.

The draft FY 2020-21 Capital Improvement Program funding in the amount of \$39.7 million is \$22.8 million less than the FY 2018-19 Adopted CIP of \$62.5 million, primarily due to the decreased funding for the SJ/SC Regional Wastewater Facility project in the amount of \$17 million. Also, due to the General Fund shortfalls projected over the next three fiscal years, staff evaluated projects that had general government funding. This review resulted in approximately \$7.8 million of savings. Of these savings, \$2.1 million is allocated to new and existing projects proposed for FY 2020-21; \$1.6 million is recommended to be reserved in the General Government Fund for programmed capital expenditures in the five-year CIP; and the remaining savings of \$4.1 million is added to the existing fund balance increasing the estimated FY 2019-20 Ending Fund Balance/FY 2020-21 Beginning Fund Balance by approximately \$4 million from \$4.1 to \$8.1 million. A portion of the estimated fund balance may also be utilized to address the projected shortfalls in the General Fund as discussed in this document.

The Capital Improvement Budget funding for FY 2020-21 by Project Category is as follows:

Project Category	FY 2020-21 Proposed Budget	Percentage of Total
Community Improvement Projects	\$13,350,000	33.6%
Park Projects	(749,000)	(1.9%)
Street Projects	7,370,200	18.6%
Water Projects	11,435,000	28.8%
Sewer Projects	8,736,195	22.0%
Storm Drain Projects	(435,000)	(1.1%)
TOTAL	\$39,707,395	100%

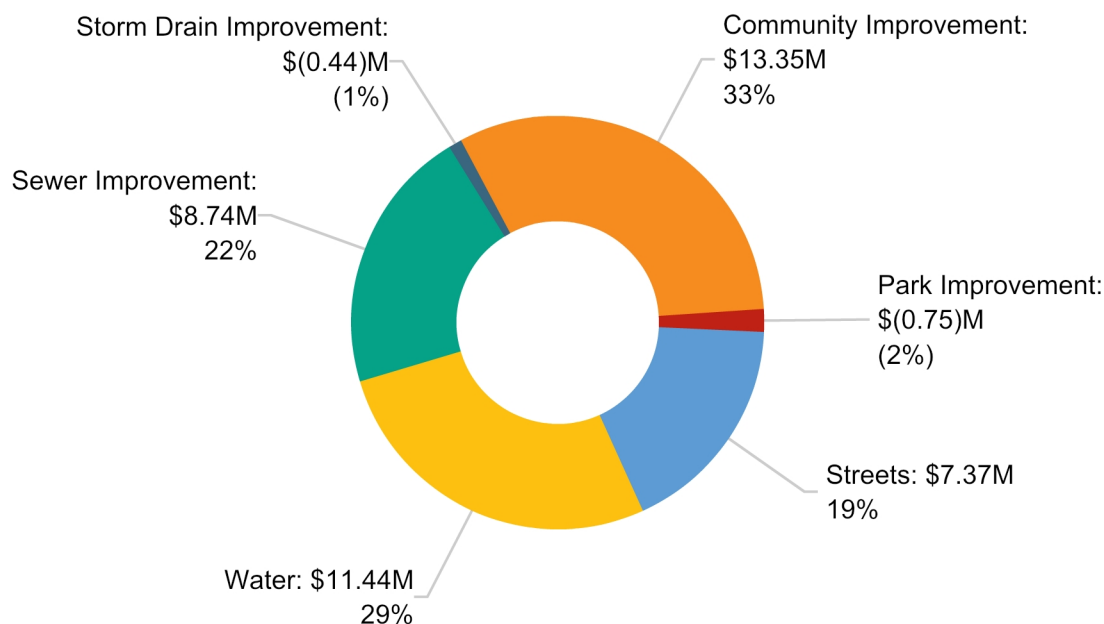
Noteworthy projects recommended for funding in FY 2020-21 include Fire Station #2 Replacement; Street Resurfacing Project 2020-21; S. Milpitas Blvd. Vehicle Bridge at Penitencia Creek, Well Upgrade Project; Water Supervisory Control & Data Acquisition; and Automated Meter Replacement Program.

The Capital Improvement Budget will be reviewed by the Planning Commission to determine its conformance with the City's General Plan. Due to the shelter-in-place order, the Parks, Recreation and Cultural Resources Commission is not scheduled to meet to review the park improvement projects for FY 2020-21.

The City is pleased to report the significant progress and completion of some major improvements this past year, including Fire Station No. 2 Reconstruction; Montague/Piper Pedestrian Bridge; Creighton Park Reconstruction; Sports Center Skate Park and Snack Shack Reconstruction; McCarthy Blvd/Sandisk Traffic Signal; Traffic Management Enhancements; Minor Traffic Improvements; and also keeping pace with the Annual Street Resurfacing and Sewer System Replacement projects.

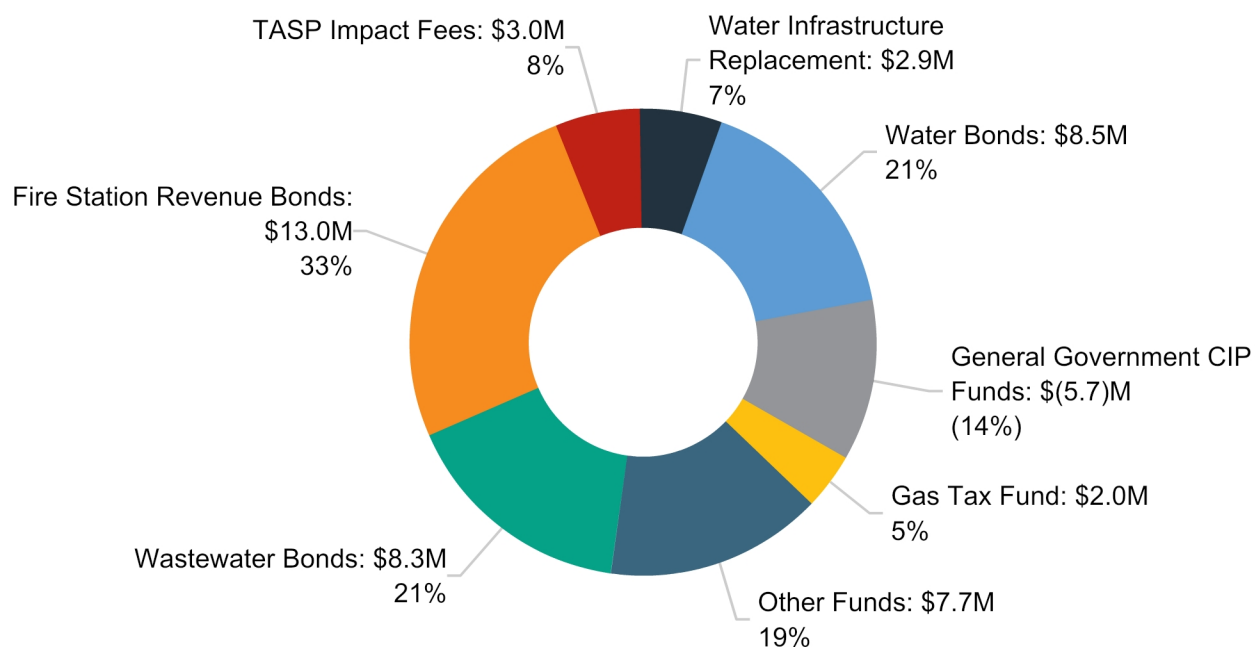
The chart below provides an overview of the City's anticipated capital improvement projects by category in FY 2020-21:

CIP Expenditures by Category (in Millions \$39.7)



The funding for FY 2020-21 capital improvement projects, as shown by the chart below, is primarily from Fire Station Revenue Bonds, Wastewater Bonds, TASP Impact Fees, Water Bonds, General Government CIP, and Gas Tax:

Funding Sources for 2020-21 CIP Projects (in Millions \$39.7)



Since the City's budget is an annual budget, the Budget only incorporates funding for FY 2020-21 capital improvement projects. It should also be noted that while staff prioritizes and anticipates the longer-term funding needs for the next four years in the five-year CIP, years 2022 through 2025 are shown only for planning purposes and are not funded at this time.

The Capital Budget section of this document provides a summary of each project description grouped by project category and a 2020-2025 Capital Improvement Program Grand Summary of project expenses and funding sources. For further details on the capital improvement projects, a separate Five-Year FY 2020-2025 Capital Improvement Program prepared by the Engineering Department may be obtained at the Milpitas City Hall or the City's website.

Capital Improvement Program Summary

Project Expenses	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Community Improvement	\$13,350,000	\$9,255,000	\$8,895,000	\$38,010,000	\$50,810,000	\$120,320,000
Park Improvement	(749,000)	4,695,000	9,930,000	10,600,000	34,875,000	59,351,000
Street Improvement	7,370,200	17,822,500	9,207,500	27,632,500	20,047,500	82,080,200
Water Improvement	11,435,000	9,108,800	8,440,850	31,355,000	180,000	60,519,650
Sewer Improvement	8,736,195	6,682,210	17,055,939	8,660,787	7,414,077	48,549,208
Storm Drain Improvement	(435,000)	3,130,000	5,875,000	5,000,000	12,175,000	25,745,000
Total	\$39,707,395	\$50,693,510	\$59,404,289	\$121,258,287	\$125,501,577	\$396,565,058
Funding Sources	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Gas Tax Fund	\$1,991,659	\$1,816,084	\$1,596,569	\$1,596,569	\$1,596,569	\$8,597,450
General Government CIP Fund	(5,670,387)	1,130,000	450,000	0	0	(4,090,387)
Midtown Park Fund	300,000	225,000	225,000	225,000	0	975,000
Park Fund	101,000	0	0	0	0	101,000
Sewer Infrastructure Fund	418,910	5,249,940	9,021,676	50,000	50,000	14,790,526
Sewer Treatment Fund	200,000	0	8,034,263	1,500,000	0	9,734,263
Street Improvement Fund	1,200,000	0	0	0	0	1,200,000
Water Fund	(150,000)	0	0	0	0	(150,000)
Water Line Extension Fund	228,000	0	1,015,000	50,000	0	1,293,000
Storm Drain Fund	1,095,000	850,000	0	0	0	1,945,000
Equipment Replacement Fund	0	160,000	0	0	0	160,000
TASP Impact Fees	2,975,000	11,750,000	8,115,000	65,760,000	13,450,000	102,050,000
LLMD	97,500	97,500	97,500	97,500	97,500	487,500
Vehicle Registration Fee	500,000	500,000	500,000	500,000	500,000	2,500,000
Community Planning Fees	600,000	200,000	0	0	0	800,000
Water Capital Surcharge	2,857,000	4,508,800	6,695,850	4,705,000	180,000	18,946,650
Permit Automation Fund	400,000	300,000	0	0	0	700,000
Measure B	1,403,431	1,403,431	1,403,431	1,403,431	1,403,431	7,017,155
SB1 RMRA	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	7,000,000
Community Facility District	50,000	0	0	0	0	50,000
Sub Total	\$9,997,113	\$29,590,755	\$38,554,289	\$77,287,500	\$18,677,500	\$174,107,157
External Financing	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Grants /Reimb./Developer Fees	(\$36,913)	\$555,000	\$0	\$0	\$0	\$518,087
Sanitary Sewer Bonds	8,247,195	1,562,755	0	0	0	9,809,950
Water Bonds	8,500,000	4,100,000	0	0	0	12,600,000
Revenue Bond	13,000,000	0	0	0	0	13,000,000
Sub Total	\$29,710,282	\$6,217,755	\$0	\$0	\$0	\$35,928,037
Unidentified	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Unidentified Funding	\$0	\$14,885,000	\$20,850,000	\$43,970,787	\$106,824,077	\$186,529,864
Total	\$39,707,395	\$50,693,510	\$59,404,289	\$121,258,287	\$125,501,577	\$396,565,058

NOTES

- (1) FY2020-21 includes \$8,247,195 payment to SJ/SC for portion of improvements to wastewater treatment plant.
 (2) Total value of projects to be delivered in FY 2020-21 is \$31,460,200

Community Improvement Projects

The Community Improvement category funds a total of sixteen projects, including three new projects:

2006 - Transit Area Specific Plan Update

The Transit Area Specific Plan (TASP) was approved in 2008. Since that time, the City Council has approved minor amendments to the TASP focused primarily on individual properties, but a comprehensive evaluation of the plan and the effectiveness of its implementation has not occurred. Approximately 95% of the housing planned and cleared under CEQA for the area have been entitled or constructed. Approximately 50% of retail uses and none of the office have been developed. For this update, the City will evaluate development projects proposed, entitled, or constructed; processes and regulations for development; possible changes to boundaries, density ranges, and land uses shown on the land use diagram; and remaining development capacity. This project will include an update to the TASP EIR to provide environmental clearance for additional residential and commercial development.

Operating Budget Impact: None

3403 - Fire Station Improvements

This project provides for various minor improvements to fire stations including renovation or replacement of electrical and mechanical systems, HVAC systems, plumbing, parking lot repairs, emergency power generator systems, interior and exterior painting, replacement of floor coverings, restroom and shower facilities, kitchen improvements, re-roofing and other building and site related improvements. All work will be performed on a priority and funding availability basis.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3414 - City Buildings, Exterior Painting & Repairs

This project provides for the exterior painting and repairs of City buildings. The buildings should be painted and sealed approximately every ten years to maintain the building appearance and to prevent damage caused by moisture infiltration.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3415 - PD Communications

The project provides for the design and installation of a public safety radio and data communications network to improve emergency services for Fire, Police, and Public Works departments. Per Federal Communications Commission (FCC) mandate, Santa Clara County and the Cities Managers Association agreed to jointly fund a countywide program for radio interoperability in 2001.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3418 - City Std. Details, Guidelines, & Specs.

This project provides for the update of the City's Engineering Standard Details, Guidelines, and Specifications document. The Engineering Guidelines describe requirements and improvements for new developments and public infrastructure constructed within the City.

Operating Budget Impact: None

3423 - Police Records Management System

This project provides for the replacement of the Police Department's 20-year-old Records Management System (RMS) that has exceeded its useful life. The Police Department is required to maintain a reliable RMS to respond to public information requests, process data for criminal cases, and to meet the California Government Code requirements of preserving information.

Operating Budget Impact: None

3427 - Technology Projects

This project provides for ongoing technology improvement and modernization of various specialty software applications and hardware. The improvements will support City network infrastructure, record management systems, and the citywide Geographic Information System (GIS). The GIS system application is used by the Engineering, Planning, and Public Works Departments to manage and maintain the City's infrastructure.

Operating Budget Impact: None

3438 - Annual Tree Replacement Program

This project provides for the replacement of aging City-owned trees as recommended by the Urban Forestry Management Plan (UFMP), dated March 2019. The program will enhance the City's urban forest inventory, which includes over 15,000 City-owned trees. Project funds minor tree maintenance, irrigation improvements, and utility relocations for proper tree sustainability.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3441 - Fire Department USAR Response Equipment

This project provides for the purchase of a high capacity forklift as an Urban Search and Rescue (USAR) resource. The usage of the vehicle is for placement of rescue equipment and development of training simulations.

Operating Budget Impact: None

3447 - Fire Station #2 Replacement

This project provides for the design and construction of a new Fire Station No. 2 (FS2) at the current location, 1263 Yosemite Drive. FS2 was constructed in 1969 and has reached the end of its service life. The new fire station will be designed to provide for additional Fire Apparatus, sustainable elements, gender equality/privacy, operational efficiencies to improve response times and meet current Building and Fire Codes for "Essential Services Buildings". Project includes leasing and tenant improvements for a temporary fire station, building demolition, furnishings, fixtures, & equipment (FF&E), and site improvements.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3456 - Community Center Building Assessment

This project provides for the assessment of the Community Center building to address building safety and staff comfort and livability issues. The assessment will review both the interior and exterior of the structure and provide recommendations for repairs and improvements to address structural problems; weather proofing; ADA access; electrical; plumbing; restroom and kitchen improvements; mechanical and HVAC upgrades; security; parking; lighting; window treatments; carpet and flooring replacement, desk, counter, furniture; fixtures; and equipment replacement.

Operating Budget Impact: None

3459 - ALPRs and Security Cameras

This project provides for the Police Department (PD) to install fixed video camera systems and automated license plate readers (ALPRs) at various locations to protect the community and critical infrastructure. The units will be placed at strategic points of ingress and egress within the City, high-crime areas, and the Milpitas BART station in an effort to address criminal activity. Project also includes location assessment and installation of hardware, software, and data storage.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

3460 - Comprehensive Zoning Ordinance Update

This project provides for the update to the Zoning Ordinance. The Zoning Ordinance is a primary implementation tool of the General Plan with regard to land use. The City's Zoning Ordinance was last updated in 2008 and has had multiple amendments in recent years in response to changes in state law, zoning practice, and technology. Upon adoption of the General Plan Update in mid-2020, the City should undertake a comprehensive review and update of the Zoning Ordinance to ensure consistency between General Plan policies related to land use and the primary regulations to implement those policies. The Zoning Ordinance update will also ensure conformance of local land use regulations and design standards with state law.

Operating Budget Impact: None

3461 - Fire Stations Security

This project provides for installation of an access control and alarm monitoring system (ACAMS) in all Fire Stations. Currently, all Fire Stations uses a pushbutton lock system for access that is obsolete and does not provide adequate security access and monitoring required for a City building.

Operating Budget Impact: None

3462 - On-Call Facilities Maintenance & Repair Services

This project provides for on-call repair and maintenance services at all City facilities. Work may include, but is not limited to, repair and replacement of electrical and mechanical systems, plumbing, parking lots, UPS battery backup system replacement, pool equipment, motors/pumps, fountain repairs, leak repairs, emergency power, HVAC systems, painting, carpeting, code upgrades, replacement of floor coverings, restroom and shower facilities, kitchen improvements, locksmith services, windows, doors and gates, replacement of furniture and fixtures, and other related improvements. Work may also include energy savings improvements, such as replacement of lighting fixtures with energy saving fixtures, and installation of a more efficient climate controls systems. All work will be performed on a priority and funding availability basis.

Operating Budget Impact: None

3716 - City Parking Lot Rehabilitation Program

This project provides for the rehabilitation of parking lots at City facilities including City Hall, Public Works, Police Department, Community Center, Barbara Lee Senior Center, Fire Stations, and Utility Pump Stations.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

NUMBER	PROJECT TITLE	PROPOSED
351- 2006	Transit Area Specific Plan Update	\$250,000
331- 3403	Fire Station Improvements	(520,000)
331- 3414	City Buildings, Exterior Painting & Repairs	(300,000)
331- 3415	PD Communications	(1,300,000)
331- 3418	City Std. Details, Guidelines & Specs	100,000
331- 3423	Police Records Management System	750,000
331- 3427	Technology Projects	300,000
331- 3438	Annual Tree Replacement Program	(200,000)
331- 3441	Fire Department USAR Response Equipment	(40,000)
331- 3447	Fire Station #2 Replacement	13,700,000
331- 3456	Community Center Building Assessment	(150,000)
331- 3459	ALPRs and Security Cameras	(300,000)
331- 3460 *	Comprehensive Zoning Ordinance Update	600,000
331- 3461 *	Fire Stations Security	200,000
331- 3462 *	On-Call Facilities Maintenance & Repairs	310,000
341- 3716	City Parking Lot Rehabilitation Program	(50,000)
Total Cost		\$13,350,000
AVAILABLE FINANCING SOURCE:		
General Government CIP Fund		(\$900,000)
Permit Automation Fund		400,000
TASP Impact Fees		250,000
Fire Station Revenue Bond		13,000,000
Community Planning Fees		600,000
Total Available		\$13,350,000

* New Project

Park Improvement Projects

The Park Improvement category funds a total of five projects, including two new projects:

2023 - Trade Zone/Montague Park - Central

This project provides for the design and construction of a new 5-acre City park within the Trade Zone/Montague Subdistrict of the Transit Area Specific Plan area. The park will be adjacent to Expedition Lane, Sango Court, and Tarob Court. The park may include pedestrian paths, benches, trees, sports fields, community center, and other passive recreation facilities.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

3424 - Citywide Park Playground Rehabilitation

This project provides for the assessment and rehabilitation of citywide park playgrounds needing minor improvements. Work includes additional fill material to meet fall attenuation, play equipment repairs, signage installation, and minor improvements to park lighting, pathways, restrooms, snack shacks, etc.

Operating Budget Impact: None

3463 - On-Call Parks and Landscaping Services

This project provides for on-call repair and maintenance services at all City parks and street landscape areas. Work may include, but is not limited to, repair and replacement of irrigation valves, irrigation main lines, controllers, landscaping, drainage, pathways, playground equipment, athletic courts and fields, picnic areas, lighting, parks buildings, and other amenities as needed.

Operating Budget Impact: None

5108 - Sports Fields Turf Rehab. Program

This project provides for turf rehabilitation at City sports fields. The program addresses deferred maintenance, trip hazards and over compaction which impacts the health and growth of the turf. Work may include re-sodding, re-seeding, irrigation repairs and minor rehabilitations.

Operating Budget Impact: None

5110 - Sandalwood Park Renovation

This project provides for the design and construction of improvements at Sandalwood Park located on Escuela Parkway between Russell Lane and Sandalwood Court. The 3.9-acre neighborhood park was constructed in 1978 and expanded in 1988. Improvements include a new picnic and playground area, ADA access and path improvements, renovation of irrigation and landscaping, and installation of a restroom.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	PROPOSED
351- 2023 *	Trade Zone/Montague Park - Central	\$600,000
331- 3424	Citywide Park Playground Rehabilitation	600,000
331- 3463*	On-Call Parks and Landscaping Services	200,000
321- 5108	Sports Fields Turf Rehab. Program	(299,000)
321- 5110	Sandalwood Park Renovation	(1,850,000)
Total Cost		(\$749,000)
AVAILABLE FINANCING SOURCE:		
	Park Fund	\$101,000
	Midtown Park Fund	300,000
	TASP Impact Fees	600,000
	General Government CIP Fund	(1,800,000)
	Community Facilities District	50,000
Total Available		(\$749,000)

* New Project

Street Improvement Projects

The Street Improvement category funds a total of sixteen projects, including one new project:

2001 - Light Rail Median Landscaping

This project provides for the design and construction of median landscape improvements on Great Mall Parkway from I-880 to the southern City limits at Capitol Expressway. There are eight median islands under the Light Rail Train viaduct structure to be landscaped and irrigated with recycled water. Work also includes construction of a recycled water main line for this project and future Transit Area Specific Plan development project. This work is included in the cooperative agreement with the Santa Clara Valley Transportation Authority.

Operating Budget Impact: None

2008 - Montague Ped. Overcrossing at Piper Dr.

This project provides for the construction of a pedestrian overcrossing (POC) over Montague Expressway at Piper Drive. The POC is part of the Transit Area Specific Plan (TASP) circulation infrastructure improvement to provide safe and convenient pedestrian connectivity between the Milpitas BART station, Great Mall and surrounding residential developments.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

2016 - S. Milpitas Blvd. Veh. Bridge at Penitencia

This project provides for design and construction of a vehicular bridge over Penitencia Creek at the end of the new S. Milpitas Blvd. Extension. The vehicular bridge is part of the Transit Area Specific Plan (TASP) circulation infrastructure improvement to provide vehicular, bicycle and pedestrian connectivity between TASP developments, Milpitas BART station, Great Mall and surrounding residential developments.

Operating Budget Impact: None

3402 - McCarthy Blvd. LLMD Improvement 95-1

This project provides for the design and construction of landscape and irrigation renovation on McCarthy Blvd. between State Route 237 and Dixon Landing Road and portions of Ranch Drive. Work is part of the Lighting, Landscape, Maintenance, Assessment District (LLMD) 95-1.

Operating Budget Impact: None

3411 - Sinclair LLMD Improvements 98-1

This project provides for the design and construction of landscape and irrigation renovation along portions of Los Coches Street and Sinclair Frontage Road. Work is part of the Lighting, Landscape, Maintenance, Assessment District (LLMD) 98-1.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, the cost savings amount has not been determined at this time.

3425 - Utility Undergrounding 2017

This project provides preliminary engineering, public utility service easement acquisition, and City administration for the undergrounding of existing overhead electric and communication utilities by Pacific Gas & Electric Company (PG&E) on South Main Street between Corning Avenue to Curtis Avenue. PG&E will complete the engineering and construction within 5 to 7 years after City Council adopts a resolution for the creation of Underground Utility District (UUD). The project is partially funded through the PG&E Rule 20A Program.

Operating Budget Impact: None

3426 - Annual Sidewalk, Curb & Gutter Repair

This project provides for citywide repairs and replacement of sidewalks, curbs and gutters.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, the cost savings amount has not been determined at this time.

3440 - Annual Street Light, Signal, and Signage

This project provides for repairs, replacement, and minor improvements to street lights, signage and traffic control devices. Work may include street light and traffic signal fixtures, poles and wiring, traffic signage, traffic/pedestrian safety devices, signal battery backup systems, and related appurtenances.

Operating Budget Impact: None

3449 - Street Landscape Irrigation Repair

This project provides for repair and replacement of streetscape and median irrigation systems and related equipment. The City has many miles of landscaped street medians and curb planter areas. The older irrigation systems are inefficient, leaking, not well-documented, and do not provide suitable irrigation to support healthy landscape. The project would provide for restoration of existing landscaping within medians and curb planters.

Operating Budget Impact: None

3454 - Enhanced Crosswalk Striping and Beacons

This project provides for installation of high visibility crosswalk striping and pedestrian actuated flashing beacons to facilitate safer pedestrian crossings at high vehicle and pedestrian volume intersections. Anticipated locations will be along school routes.

Operating Budget Impact: None

3455 - Pilot Street Sweeping Program

This project provides for a Pilot Street Sweeping Program to target one neighborhood in the City to explore more effective measures for street sweeping.

Operating Budget Impact: None

3458 - Radar Speed Feedback Signage

This project provides for the assessment and installation of radar speed feedback signage (RSFS). The signage is used as a traffic calming measure on various City streets to reduce vehicle speed and to improve safety for motorists, pedestrians, and cyclists.

Operating Budget Impact: None

4179 - Montague Expwy Widening at Great Mall Pkwy

This project provides a fourth through lane in each direction on Montague Expressway at Great Mall Parkway, one westbound lane on Montague Expressway from Pecton Court to UPRR rails, and a new bridge over Berryessa Creek. Construction is to be completed by VTA's contractor.

Operating Budget Impact: None

4267 - Soundwall and Barrier Repair and Renovation Program

This project provides for the renovation and repair of City-owned soundwalls, fences and barriers within parks and along streets. Portions of the walls have deteriorated and will need to be structurally repaired or completely replaced.

Operating Budget Impact: None

4283 - ADA Curb Ramp Transition Program

This mandatory program involves citywide replacement or upgrade of existing curb ramps to current standard Americans with Disabilities Act (ADA) compliant ramps. The project will include construction of segments of new sidewalk to close gaps, and to allow the City to be eligible for future Federal transportation aid funds. This is an annual program that is partnered with the Annual Street Resurfacing Program. Sites in the vicinity of the street resurfacing program will be considered for sidewalk and curb ramp upgrade. The target program completion date for citywide ADA public street curb ramp compliance is 2040.

Operating Budget Impact: None

4298 - Street Resurfacing Project 2020-21

This project provides for roadway pavement repair including overlay and reconstruction. Streets are selected for improvement based on the City's Pavement Management System to optimize the pavement condition rating and use of funding.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	PROPOSED
351- 2001	Light Rail Median Landscaping	(\$9,000)
351- 2008	Montague Ped. Overcrossing at Piper Dr.	750,000
351- 2016	S. Milpitas Blvd. Veh. Bridge at Penitencia	1,375,000
331- 3402	McCarthy Blvd. LLMD Improvements 95-1	85,000
331- 3411	Sinclair LLMD Improvements 98-1	12,500
331- 3425	Utility Undergrounding 2017	(69,387)
331- 3426	Annual Sidewalk, Curb, and Gutter Repair	270,000
331- 3440	Annual Street Light, Signal, and Signage	255,000
331- 3449	Street Landscape Irrigation Repair	(174,000)
331- 3454 *	Enhanced Crosswalk Striping and Beacons	103,000
331- 3455	Pilot Street Sweeping Program	(100,000)
331- 3458	Radar Speed Feedback Signage	200,000
311- 4179	Montague Expwy Widening at Great Mall Pkwy	(27,913)
311- 4267	Soundwall and Barrier Repair and Renovation	(200,000)
311- 4283	ADA Curb Ramp Transition Program	300,000
311- 4298 *	Street Resurfacing Project 20-21	4,600,000
Total Cost		\$7,370,200

AVAILABLE FINANCING SOURCE:

Gas Tax Fund	\$1,991,659
Street Improvement Fund	1,200,000
Vehicle Registration Fee	500,000
LLMD	97,500
Sewer Infrastructure Fund	129,910
General Government CIP Fund	(1,440,387)
Measure B	1,403,431
SB1 RMRA	1,400,000
Grants/Reimb/Developer Fees	(36,913)
TASP Impact Fees	2,125,000
Total Available	\$7,370,200

* New Project

Water Improvement Projects

The Water Improvement category funds a total of eight projects, including one new project:

7076 - Well Upgrade Project

This project provides for improvements to existing Wells and the installation of a new Well as recommended by the Water Supply Augmentation Feasibility Report, March 2015. Project includes the design and construction of a new Well and potable water treatment facility at the City's McCandless Park site to serve the Midtown and Transit Area Specific Plan (TASP) areas. Project also includes the design and construction for the buildings, pumps, control equipment, water treatment, piping, and back-up power for the existing Curtis Well and improvements to the existing Pinewood Well.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

7112 - Reservoir Cleaning

This project provides for the periodic interior cleaning, inspections, and repairs of the City's potable water reservoirs. Reservoirs should be cleaned every five to eight years.

Operating Budget Impact: None

7121 - Automated Meter Replacement Program

The project provides for replacement or retrofit of all City water meters with automated remote reading meters and the installation of data receivers. The new meters will provide electronic data for approximately 17,000 water accounts eliminating manual meter reads. The system will continuously monitor customer water usage and provide alerts for extraordinary usage patterns or possible leaks. The replacement program will be implemented in phases.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, the cost savings amount has not been determined at this time.

7127 - Water Supervisory Control & Data Acquisition

This project provides for the installation of Supervisory Control and Data Acquisition (SCADA) to the City's water infrastructure. Currently, Public Works relies on unsophisticated alarms at limited locations and customer complaints to become aware of water system issues. City staff then must investigate the issues at the location and implement corrective action which may prolong a system shutdown. SCADA allows operations to control, monitor, and maintain the water system more efficiently to help with making decisions and mitigate downtime. It provides for real-time data on water tank levels, pump operational status, system pressure, and flow rates. This information can be used to identify operational problems, such as high velocities, low pressures, and pressure spikes which are indicators of pipe breaks. It also allows for remote monitoring to interact with sensors, valves, pumps, and motors to implement corrective actions when there is a system problem.

Operating Budget Impact: None

7133 - Minor Water Projects

This project provides for system analysis and implementation of various minor water projects which arise during the year. It provides for on-going repairs, replacement, and improvement to the water system such as enhancing security at various water facilities, pumps, generators, valves, water lines, and equipment.

Operating Budget Impact: None

7135 - Water Leak Detection & Condition Assessment Program

This project provides for a leak detection program of the City water system to identify system leaks and determine the volume of water lost. The program will include the real-time monitoring of leaks through the deployment of acoustic loggers and pressure transients, and other techniques and technologies that become available. It also funds the completion of pipeline condition assessments and field verification of critical segments of the water system to evaluate the remaining service life of water pipelines.

Operating Budget Impact: None

7136 - Water Master Plan 2019

This project provides for the evaluation, study, and preparation of the City's Water Master Plan document. The plan is a comprehensive study that defines the City's strategy for providing a reliable and sustainable water supply for the present and future. The document will guide the City's decisions on water infrastructure investments over the next 20 years and incorporate miscellaneous general plan amendments, Midtown Specific Plan and Transit Area Specific Plan (TASP) needs. It also identifies deficiencies in the water system, recommends corrective actions, prioritizes improvements, and provides budgetary cost estimates.

Operating Budget Impact: None

7137 - On-Call Water Maintenance & Repair Services

This project provides for on-call repair and maintenance services at all City water infrastructure, assets, and appurtenances. Work may include, but is not limited to, the repair and replacement of electrical and mechanical systems (VFD & generators), motors and pumps, pipelines, meters, above ground/underground storage tank, and other related improvements. All work will be performed on a priority and funding availability basis.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	PROPOSED
401- 7076	Well Upgrade Project	\$3,000,000
401- 7112	Reservoir Cleaning	(170,000)
401- 7121	Automated Meter Replacement Program	2,030,000
401- 7127	Water Supervisory Control & Data Acquisition	5,500,000
401- 7133	Minor Water Projects	300,000
401- 7135	Water Leak Detection and Condition Assessment	150,000
401- 7136	Water Master Plan 2019	50,000
401- 7137*	On-Call Maintenance & Repair Services	575,000
Total Cost		\$11,435,000
AVAILABLE FINANCING SOURCE:		
	Water M & O Fund	(\$150,000)
	Water Line Extension Fund	228,000
	Water Capital Surcharge	2,857,000
	Water Bonds	8,500,000
Total Available		\$11,435,000

* New Project

Sewer Improvement Projects

The Sewer Improvement category funds a total of seven projects including one new project:

6118 - SJ/SC Regional Waste Water Facility

The City pumps sewage to the San Jose/Santa Clara Regional Waste Water Facility for waste water treatment before it can be discharged into the San Francisco Bay. The facility was originally constructed in 1956 and is reaching the end of its useful life. The City of San Jose, the operator of the facility, is undergoing an estimated \$2 billion rehabilitation project to completely overhaul the facility over the next 30 years. Since the City of Milpitas uses approximately 7% of the facility, it will be responsible for 7% of the cost of improvements which is approximately \$140 million over the next 30 years. This project funds Milpitas' share of the rehabilitation costs.

Operating Budget Impact: Per the City of San Jose, the improvements are expected to reduce operations and maintenance liabilities. The impact to the operating budget will be dependent on the technology chosen, operating approach, and the start-up schedule. Engineering estimate has not been completed, as such amount is unknown at this time.

6119 - Sanitary Sewer Condition Assessment Prgm

A citywide condition assessment program is needed to determine the condition of the City's sanitary sewer system.

Operating Budget Impact: The Impact to the operating budget will be dependent on the technology chosen, operating approach, and the start-up schedule. Engineering estimate has not been completed, as such amount is unknown at this time. Maintenance costs will Increase based on the assessment.

6124 - Sewer Pump Station Rehab. Program

This project provides for rehabilitation or replacement of wastewater pumps at Main and Venus Wastewater Lift Stations to safely discharge sewage. Work also includes rotational assessment of the City's six wastewater pumps and peripheral equipment replacement such as electrical control, flow equipment, and variable frequency drives and grinders.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, the cost savings amount has not been determined at this time.

6126 - Minor Sewer Projects

This project provides for ongoing analysis, engineering, and implementation of various minor modifications and improvements to existing sewer systems.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

6130 - Main Lift Station Odor Emissions Control

This project provides for the installation of odor emission controls at the Main Lift Station to address concerns regarding elevated levels of hydrogen sulfide and other odorous compounds at the facility.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

6131 - Sanitary Sewer Cathodic Protection Improv

This project provides for the assessment, design, and installation of cathodic protection system along the City's steel sewer force main from the City's Pump Station to SJ Regional Wastewater Treatment Plant. Soils within the City have been found to be highly corrosive and are detrimental to steel pipelines. Cathodic protection systems use sacrificial anodes and other means to protect the metal pipeline. Work also includes abandonment of the existing corrode diverter valve and its vault located within the Coyote Creek floodplain, replacement of two existing magnetic flow meters at the main pump station with proper isolation to prevent reading interference, the evaluation of existing pinch valve vaults near Zanker Road, and the evaluation of the soils around the existing force main pipeline.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

6134 - On-Call Sewer Maintenance & Repair Services

This project provides for on-call repair and maintenance services at all City sewer infrastructure, assets, and appurtenances. Work may include, but is not limited to, repair and replacement of electrical and mechanical systems (VFD & generators), motors and pumps, pipelines, aboveground/underground storage tank, and other related improvements. All work will be performed on a priority and funding availability basis.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	PROPOSED
451- 6118	SJ/SC Regional Waste Water Facility	\$8,247,195
451- 6119	Sanitary Sewer Condition Assessment Prgm	(124,000)
451- 6124	Sewer Pump Station Rehab. Program	(148,000)
451- 6126	Minor Sewer Projects	(37,000)
451- 6130	Main Lift Station Odor Emissions Control	200,000
451- 6131	Sanitary Sewer Cathodic Protection Improv	500,000
451- 6134 *	On-Call Sewer Maintenance & Repair Services	98,000
Total Cost		\$8,736,195

AVAILABLE FINANCING SOURCE:

Sewer Treatment Fund	\$200,000
Sanitary Sewer Bonds	8,247,195
Sewer Infrastructure Fund	289,000
Total Available	\$8,736,195

* New Project

Storm Improvement Projects

The Storm Drain Improvement category funds a total of five projects, including one new project:

3709 - Dempsey Road Storm Drain Replacement

The project provides for the design and construction of a new storm drain system in Dempsey Road as recommended by the 2013 Storm Drain Master Plan. The existing storm drain main is undersized and is recommended to be upsized from 18-inch to 36-inch main between South Park Victoria and Los Coches Creek for approximately 1,100 linear feet. The project will require a permit from the Regional Water Quality Control Board (RWQCB) for the construction of new outfall and installation check valves in Los Coches Creek.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

3713 - Trash Removal Devices

This project provides for the installation of trash removal devices within the City's storm drain inlets to comply with Municipal Regional Stormwater Permit (MRP) Order R2-2015-0049 effective January 1, 2016. Provision C.10 requires permittees to demonstrate reductions in trash discharge to waters of the United States from local municipal storm drain systems by 80% by July 1, 2019, and "No Visual Impact Equivalent" (100% reduction) by July 1, 2022.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

3714 - Flap Gate Replacement

This project provides for assessment, replacement, and installation of flap gates, check valves, and outfalls at all the creeks within the City.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

3715- Storm Drain System Rehab 17-19

This project provides for the maintenance of the City's storm drain systems due to insufficient capacity and aging infrastructure. Work will include maintenance to pumps, electrical and mechanical systems at pump stations, and maintenance of City owned creeks and drainage ditches. Work will be programmed based on the new Storm Drain Master Plan and urban runoff program requirements.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, costs have not been determined at this time.

3719 - On-Call Storm Maintenance & Repair Services

This project provides for on-call repair and maintenance services at all City storm infrastructure, assets, and appurtenances. Work may include, but is not limited to, repair and replacement of electrical and mechanical systems (VFD & generators), motors and pumps, pipelines, aboveground/underground storage tanks, and other related improvements. All work will be performed on a priority and funding availability basis.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	PROPOSED
341- 3709	Dempsey Road Storm Drain Replacement	(\$1,430,000)
341- 3713	Trash Removal Devices	(100,000)
341- 3714	Flap Gate Replacement	(75,000)
341- 3715	Storm Drain System Rehab 17-19	1,025,000
341- 3719 *	On-Call Storm Maintenance & Repair Services	145,000
Total Cost		(\$435,000)
AVAILABLE FINANCING SOURCE:		
	Storm Drain Funds	\$1,095,000
	General Government CIP Fund	(1,530,000)
Total Available		(\$435,000)

* New Project



Fund Descriptions

The basic accounting and reporting entity for a City is a fund. A fund is "an independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created". Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used in government are classified into three broad categories: governmental, proprietary and fiduciary. Governmental funds include activities usually associated with a typical state or local government's operations (public safety, general government activities, etc.). Proprietary funds are used in governments to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Trust and Agency funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent. The various funds are grouped in fund types and categories as follows:

Governmental Funds

Government Funds include activities usually associated with the governmental entities' operations (police, fire and general government functions).

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are sales taxes, property taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for general government activities, public safety, most street work and the other services described above.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

- **Public Art Fund** – was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas' citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** – was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City's share of state gasoline taxes.
- **Lighting and Landscape Maintenance District Fund** – was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **Community Facility District Fund** – was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services, public safety.
- **Housing and Community Development Fund** – was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** – was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.
- **Solid Waste Services Fund** – was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the future State required landfill deposits percentage reduction. The fund also accounts for special charges

built into garbage rates specifically for community promotions and household hazardous waste activities. These activities support the City's ongoing efforts to meet State mandates to reduce waste.

- **Hetch-Hetchy Ground Lease Fund** – Established to account for the lease payment to the City and County of San Francisco for the permitted use of the Hetch-Hetchy land.
- **Housing Authority Fund** – was established to allow the City to aggressively plan and address aging of the Milpitas housing stock, limited amount of land, high costs of housing, continuous overcrowding and potential increase in unsanitary conditions. The establishment of a Housing Authority allows the City to improve the quality of life and standard of living for a substantial number of its residents.

Debt Service Funds – Debt Service Funds are used to account for financial resources to be used for the payment of principal and interest on governmental fund long-term debt. The City has the following outstanding bonds: 2015 Tax Allocation Bond and 2017 Wastewater Revenue Refunding Bonds.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

- **Redevelopment Project** – was established to account for the financing and construction activities in the redevelopment project areas. This fund is inactive as of 1/31/2012 due to Assembly Bill 1X26.
- **Street Improvement Fund** – was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided through State and federal grants.
- **General Government Fund** – was established to account for the construction and maintenance of community improvements. Capital projects previously accounted for in the General Fund has been incorporated in this fund.
- **Park Improvement Fund** – was established to account for the construction and maintenance of City parks. Financing is provided by a special parks improvement fee imposed on developments.
- **Transit Area Impact Fee Fund** – was established to account for the financing and construction activities of infrastructure in the Transit Area Specific Plan.
- **Storm Drain Improvement Fund** – was established to account for the construction and maintenance of City storm drains. Financing is partially provided by fees imposed on developments

Proprietary Funds

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates the Water Utility and Sewer Utility enterprise funds.

- **Water Utility Fund** – was established to provide water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and billing and collection.
- **Sewer Utility Fund** – was established to provide sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

- **Equipment Management Fund** – was established to finance and account for the replacement of equipment used by City departments on a cost reimbursement basis.
- **Information Technology Replacement Fund** – was established to finance and account for the replacement of information technology equipment used by City departments.
- **Permit Automation Fund** – was established to finance and maintain the online permit development system.

Fiduciary Funds

Agency Funds – Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

- **Employee Deferred Compensation Plan** – was established to account for accumulated employee funds withheld and invested as provided by the Plan.
- **Employee Benefit Fund** – was established to account for self-insured employee dental plan, short term disability plan and MOU contractual agreements.
- **Senior Advisory Commission Fund** – was established to account for the fund raising activities of the Commission.

Revenue Descriptions

The City of Milpitas provides many services to its residents such as Police, Fire, Parks, Recreation, etc. These services are not without cost to the taxpayer. It is the task of City Officials to produce the necessary revenue to satisfy the ever-growing demand for local services.

The City of Milpitas receives revenue from many sources to offset the costs of its operations. Revenue is received from sales taxes, property taxes, and many other sources. For each fiscal year, the City's revenues are estimated conservatively and, therefore, actual revenues received often exceed the estimated projections. This section will describe the major revenue sources available to the City. The Summary of Current Revenues by Fund will provide a more detailed breakdown of all revenues. The major revenue sources are as follows:

Property Taxes

Property Taxes – Property tax is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property located within the City. The tax comprises one percent of the assessed value of the property. The assessed value of real property appraised by the County Assessor in the 1975-76 assessment role value adjusted after 1975 by a two percent inflation factor per year. When property changes hands or new construction occurs, it is reassessed at its current market value.

Other Taxes

Sales and Use Tax – Sales and use tax is imposed on retailers for the privilege of selling, at retail, within the City limits. This tax is based on the sales price of any taxable transaction of tangible personal property. The Bradley-Burns Uniform Local Sales and Use Tax Law, adopted in 1955, extends the authority to impose local tax to counties. One percentage point of the sales tax collected by the State Board of Equalization is allocated back to the City for general purposes. This revenue is placed in the General Fund for unrestricted uses.

Franchise Fees – A Franchise Fee is imposed on various utilities and organizations which permits them to use and operate those facilities within the City. In Milpitas, franchise fees are charged for Electric, Gas, Garbage, Nitrogen Gas and Cable Television franchises.

Business License Tax – A Business License Tax is imposed on businesses for the privilege of conducting business within the City. Fees are based on bracketed structures according to the type of business. The fee structures are as follows: average number of employees, number of units or rooms, number of vehicles or a flat fee.

Transient Occupancy Tax – The Transient Occupancy Tax in Milpitas is a ten percent (14%) tax on the cost of a hotel room and imposed on "transients" who occupy a room or rooms in a hotel, inn, motel, tourist home or other lodging facility within the City's limits.

Licenses and Permits

Building Permits – The City requires that building permits be obtained to ensure that structures meet specific standards as identified in the Municipal Code. The City requires various construction permits for activities such as the installation of electrical and plumbing. The City charges a fee for issuing these permits in order to recover the costs incurred.

Fire Permits – The Milpitas Municipal code requires permits be obtained and inspections conducted to ensure activities regulated by the fire code meet specific standards for the protection of life, property and the environment. Activities include: high piled combustible storage, hazardous materials, assembly, and life safety inspections of licensed facilities, apartments, and hotels and motels.

Fines and Forfeitures

Vehicle Code and Other Court Fines – The City receives a portion of all fines assessed, in Milpitas, for infractions of the State of California Vehicle Code and may receive other court fines as directed by the County, State or Federal Courts.

False Alarm Fees – Currently the Milpitas Municipal Code provides that a property may have two false alarms in a one-year period. Subsequent false alarms, within that period, are assessed a service charge that can increase from \$300 to \$900 depending on the number of alarms.

Booking Fees – Counties within California are authorized to charge a "criminal justice administrative fee" intended to cover the "reimbursement of County expenses incurred" for booking and processing of arrested persons who are brought to the County jail for booking or detention. In return, Judges may pass along the City's costs to the offender as part of their court-ordered restitution.

Use of Money and Property

Interest on Pooled Investments – Interest income is earned as the City invests its idle funds in various investment instruments. The goal of the City regarding investments is to ensure the safety of each investment and maintain liquidity while achieving a fair rate of return - safety, liquidity and yield - in that particular order.

Intergovernmental

Motor Vehicle In-Lieu Tax – The Motor Vehicle In-Lieu Tax is collected by the State Department of Motor Vehicles through its vehicle registration program in-lieu of a City personal property tax on motor vehicles.

Gas Tax – The State Gas Tax is derived from State of California taxes on gasoline purchases and is allocated, on a share basis, to cities. The Gas Tax revenues are broken down into Sections 2106, 2107 and 2107.5. Sections 2106 and 2107 funds are restricted to the construction, improvements and maintenance of public streets. Section 2107.5 funds are restricted to engineering costs and administrative expenses with respect to City streets.

Federal, State and County Contributions – Senior Nutrition fees are one example of a County contribution that is reimbursed to the City from the County of Santa Clara for lunches provided to senior citizens.

Miscellaneous Grants –

- **Community Development Block Grant** –The Housing and Community Development Block Grant (CDBG or HCD) program was designed by the Department of Housing and Urban Development (HUD) to revitalize low and moderate income areas within a city. The use of CDBG funds is restricted by specific provisions and is managed by the Housing function.
- **Public Safety Grants** - The City is currently receiving multiple public safety grants including: Supplemental Law Enforcement Services Grant, Local Law Enforcement Block Grant, and Justice Assistance Grant. Future grant spending will be designated for vehicles, equipment and technology improvements.
- **SB90** - The law in the State of California provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency is required to incur after July 1, 1990, as a result of any new statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

Charges for Current Services

Charges for Current Services – All City's basic service charges are recorded at the department or division levels that are associated with specific governmental and enterprise activities. These service levels are: General Government, Planning, Fire, Police, Recreation, Building and Public Works. This is a GASB 34 requirement.

Planning Fees and Sale of Maps and Documents – Included in these fees are a range of service charges for staff responses to inquiries from the public to review and interpretation of complicated planning and zoning ordinances. Also included are reproduction costs associated with maps and documents from all functions within the organization.

Recreation Fees – Recreation fees include user program fees for preschool, after-school, teen and summer camp programs; swimming lessons; special events and youth and adult recreational classes.

Rents and Concessions – Rental fees are charged for the private use of City facilities. Rental facilities include the Community Center, Sports Center, Senior Center, the Jose Higuera Adobe and parks throughout the City.

Other Revenues

Development –

- **Park Development Fees** - The Park Development Fee is paid by a developer or subdivider for park or recreation purposes, in-lieu of the dedication of the land.
- **Treatment Plant Fees** - Treatment Plant fees are payment for the purchase of waste water treatment capacity rights. The fee is measured in gallons per day, and the higher the usage, the higher the fee. All fees collected are used for Capital Improvement Projects or for Capital Operating Costs at the San Jose/ Santa Clara Water Pollution Control Plant or within the City.
- **Traffic Impact Fees** - A Traffic Impact Fee is an exaction from a developer to mitigate traffic impacts associated with the development of the subject property. These fees can be dictated by ordinance or by documentation in a Traffic Impact Analysis (TIA) and are then conditions of approval for the development.

Reimbursements -

- **AVASA** - Beginning in 1996, the State of California, through the Abandoned Vehicle Abatement Service Authority, began reimbursing cities for vehicle abatement activities based on a per vehicle cost. The State reimbursement varies from year to year based on the number of vehicles claimed by all participating cities.

Miscellaneous -

- **Solid Waste** - Currently the Solid Waste function has two very different revenue streams. The first AB939 is collected by the County as a Tipping Fee at the Landfill and reimbursed to the City on a quarterly basis. The purpose of this fee is to encourage achievement of the State's landfill reduction goal. The second fee is paid by the solid waste customers, incorporated in user rates, and is specifically earmarked for community education and the Household Hazardous Waste programs.

Expenditure Descriptions

Personnel Services

Salaries and Wages

Permanent – Salaries for full time and part time permanent employees.

Temporary – Salaries full time and part time employees who are hired in temporary or substitute basis.

Overtime – Amounts paid to employees for work performed in addition to the normal work period. Hours work in excess of 40 hours per week.

Allowances / Leaves

Allowances – Amounts paid to employees who are entitled to allowances such as car, telephone, uniform, special licenses, canine, motorcycle, SWAT, pager and bilingual pay.

Leave CashOut – Amounts paid to employees for hours cashed out from sick or vacation time banks.

Accrued Leave – To record year-end adjustments of accrued vacation according to the Generally Accepted Accounting Principles (GAAP). For ACCOUNTING USE ONLY.

Benefits

PERS – Amounts contributed to the Public Employees' Retirement System (PERS) plan for its employees.

Group Insurance – City of Milpitas' share of any insurance coverage for its employees such as Medical, Dental, Vision, Life Insurance, Long Term Disability and Short Term Disability.

Medicare-Employer's Contribution – City of Milpitas' share of the Federal Medicare contributions for its employees.

Worker's Compensation – Amount allocated to pay for worker's compensation claims made by employees.

MOU Contractual Agreements – Amounts paid according to negotiated MOU agreements.

Deferred Compensation – Employer Contribution - Contributions made to the employees' deferred compensation plan.

PARS – Amounts contributed to the Public Agency Retirement System-Alternate Retirement System (PARS-ARS) plan for temporary employees not in the PERS system. This is an alternative to the Social Security System.

Retiree Benefits

Retiree Medical Reserve – Amount allocated to fund a portion of the outstanding retiree medical benefits liability.

Retiree Medical Payment – Payment of the outstanding retiree medical benefits liability.

Retiree Medical Reimbursement – Reimbursement from California Employer Benefit Trust fund for retiree medical payment.

Adjustments - Payroll

Adjustments – Payroll - To record year-end payroll adjustments in accordance to the Generally Accepted Accounting Principles (GAAP), i.e., Accrued Payroll which reflects salaries and wages earned by employees as of June 30 but not paid until July. FOR ACCOUNTING USE ONLY.

Vacancy Factor – Budget amount to account for vacant positions.

Charged to CIPs – Budget amount to account for payroll costs that will be charged to the Capital Improvement Projects.

Overhead – PJs contractual Labor and Payroll - A charge made to a developer account to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account charged.

Salary Reduction – Budget amount to account for reduced funding.

Supplies and Contractual Services

Community Promotions, Grants and Loans

Community Promotions – Public relations activities that are aimed to contribute to the progress or growth of the community.

Community Promotions CC Allocated – Public relations activities for progress or growth of the community allocated by the CITY COUNCIL.

Community Promotions CC Unallocated – Public relations activities for progress or growth of the community not yet allocated by the CITY COUNCIL.

Cultural Arts Grants – Financial assistance provided for Cultural Arts programs or activities.

Miscellaneous Grants – Financial assistance provided for miscellaneous grant programs.

Sports Grants – Financial assistance provided for Sports programs or activities.

Housing Rehab Loans – Amount loaned to homeowners for housing rehabilitation purposes under the Community Development Block Grant (CDBG) program.

CDBG Grants – Payment to subrecipients of CDBG Grants.

Miscellaneous Loans – Loans other than for housing rehabilitation purposes under the CDBG program.

Department Allocations

Equipment Replacement Amortization – Department's share of the fund being set aside for the purpose of replacing equipment in the Equipment Replacement Program.

Supplies

Generally, these are items that are consumed.

Office Supplies – Purchased for office use. Examples are pen, folders, drinking water, and coffee.

Departmental Supplies – Items that are used for the programs of the department. Examples are food for the Senior Center, sports supplies for the Recreation Department, target supplies for the Police Department, and tools for Public Works.

Maintenance Supplies – Used for repairs and maintenance of equipment or building. Examples are bolts, screws, nails, janitorial supplies, etc.

Health & Safety Supplies – Used for health and safety purposes. Examples are goggles, safety shoes, hard hats, gloves, first-aid kits, VDT glasses, etc.

Contractual Services

Generally, amount paid for services rendered by organization or personnel not on the payroll of the City of Milpitas. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

Advertising – Costs of media services and associated costs. Media advertising includes magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. Examples are advertising for such purposes as personnel recruitment, legal ads, new and used equipment and sale of property, and City Clerk notices of meetings.

Blueprinting – Usually are services provided to blueprint the engineering plans.

Contractual Services – Services rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement. Payment of fees to contractors to acquire license or permits for the City of Milpitas should be recorded in this account. NOTE: Copier charges should be paid from this account.

Contractual Services-PJ's Labor – Rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement for its Private Jobs (PJ). Examples are carpentry, painting, and other labor for the City's Private Jobs.

Audit Fees – Professional services provided by Certified Public Accountants (CPA) firms for the purpose of auditing the City's financial statements. Example is the Comprehensive Annual Financial Report.

Street Sweeping – Includes sweeping and washing streets, flushing gutters and underpasses and collecting and disposing of debris from streets and public roadways.

Repair & Maintenance – Repair and maintenance services provided by personnel not on the payroll of the City of Milpitas. This includes repair and maintenance of the City's buildings and equipment. Examples are vehicular, equipment, and/or facilities repair and maintenance. Cost of warranty obtained after the original equipment warranty expired or any warranties obtained after the purchase of the equipment should be recorded to this account. Annual maintenance agreement or contract on equipment should be recorded here.

Rents and Leases – Costs for renting or leasing land, buildings, equipment and vehicles for either temporary or long range use by the City of Milpitas. Agreement should not have an option to buy or to acquire ownership at the end of the lease term. (Please see Capitalized Leases, also).

Contributions to Non-City owned Capital Assets – Costs incurred in capital improvement projects that the City does not have the ownership of the property. These costs generally incurred by the City for the benefits of the residents in Milpitas but the property is owned by another government agency. For example, the City spent money to improve the I880/237 intersection to improve the quality of life for local residents, but the City does not own the intersection. CalTrain owns the intersection. For ACCOUNTING USE ONLY - GASB 34

Legal Services

Retainers and Fees – Fees paid to engage the services of a professional adviser as an attorney.

ABAG Attorney's Fees – Fees paid to Associate Bay Area Government (ABAG) attorney.

ABAG Settlements – Costs paid to ABAG for settling insurance claims.

Litigation – Costs incurred to settling litigation or lawsuits. This should include costs incurred during legal proceedings.

Elections

Elections – Includes expenditures for holding general primary and special elections.

Communications

Communications – Except the categories below, any services provided by persons or businesses to assist in transmitting and receiving messages or information.

Phone-Local – Basic monthly telephone charges. Computer Data Lines - Charges for computer data lines services such as Internet user's fees and charges, T1 line monthly charges, and web site charges, if any.

Phone-Long Distance – Long distance telephone charges.

FAX – Fax line fees and charges.

Pagers – Pagers monthly fees.

Cellular Phones – Fees and charges associated with cellular telephones.

Fire Alarms – Fees and charges for usage and maintenance of fire alarm lines.

Police Alarms – Fees and charges for usage and maintenance of police alarm lines.

Utilities

Utilities – Expenditures for energy except gas, electric and water. Examples are bulk oil normally used for heating, and bulk gasoline or diesel purchase for non-transportation use. Gasoline or diesel purchased for transportation purposes should be charged to account 4223 departmental supplies.

Utilities-Gas – Gas purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Electric – Electricity purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Water – Water purchased for the City of Milpitas facilities consumption. Drinking water bottles purchased should be charged to account 4221 Office Supplies.

SFWD, Wholesale Water Purchase – Water purchased from San Francisco Water Department (SFWD) for resale to the residence and businesses being served by the City of Milpitas.

SCVWD, Wholesale Water Purchase – Water purchased from Santa Clara Valley Water District (SCVWD) for resale to the residence and businesses being served by the City of Milpitas.

Recycled Water Purchase – Purchased for resale to the businesses being served by the City of Milpitas. For irrigation use only.

Treatment Plant, M & O – City of Milpitas waste water treatment fees paid to City of San Jose -Maintenance and Operation.

Memberships, Training and Travel

Membership and Dues – Amount paid for an employee or group of employees of the City of Milpitas to be a member of an organization.

Professional Licensing – Fees paid for an employee of the City of Milpitas to acquire or renew a license or permit in order for him/her to exercise his/her profession. Examples are CPA and Civil Engineer licenses.

Training/Registration – Fees paid for a City of Milpitas employee to enroll or attend a seminar, workshop, and/or training class.

Lodging/Travel – This is the actual amount paid for a place to stay while a City of Milpitas employee is conducting out-of-the-office business (e.g. hotel accommodation). Airfare and other transportation expenses, except use of own vehicle, such as shuttle to airport and hotel, and car rental are recorded in this account. This is associated with approved travel request.

Meals for Meetings – Expenses incurred to provide food in conducting department and/or business meetings. Restaurant meals eaten off site must be approved in advance according to the SOP 8-1.

Per Diem – Specified daily meals, incidental expenses, and/or lodging allowance in lieu of actual meal(s), and/or lodging expenses incurred while conducting out-of-the-office business. This is associated with approved travel request. Per Diem rates vary according to your business destination. City of Milpitas' per diem rates are according to the Maximum Federal Per Diem Rates for Travel in Continental United States (CONUS). Please call the Finance Department or refer to the current IRS Publication 1542 for the appropriate per diem rates of your business destination.

Mileage Reimbursement and Parking – Payment to an employee for the use of his/her vehicle to conduct out-of-the-office business including parking costs. According to the City of Milpitas SOP 6-1, Section 2d, "Mileage reimbursement shall be at the rate as set by the Internal Revenue Code and shall be reimbursed for the distance between home and destination or work and destination, whichever is less." Please call the Finance Department or refer to the current IRS Publication 535 for the mileage rate.

Tuition Reimbursement – Amount reimbursed by the City of Milpitas to any employee qualifying for tuition reimbursement, based upon the City's policy. Please refer to the Memorandum of Understanding of each bargaining unit.

Commissions and Boards

Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for conference related expenses.

Non-Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for nonconference related expenses.

Insurance and Settlements

Liability – Payments of insurance premiums for general liability coverage, public official bond, administrative and property coverage.

Uncollectible Accounts

Uncollectible Accounts – Portion of a receivable not expected to be collected. For ACCOUNTING USE ONLY.

Collection Fees – Fees paid to a collection agent (bureau) for collecting monies owed the City from unpaid receivables. The fees are usually based on a percentage of the collected total amount.

Depreciation and Amortization

Depreciation & Amortization – Depreciation is the portion of the cost of a fixed asset charged as an expense during a particular period. Amortization is the portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. For ACCOUNTING USE ONLY.

Contingent Reserve

Contingent Reserve – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, unsettled disputed claims. Includes reserve 1% of the General Fund Budget per the budget resolution, adjusted annually. For ACCOUNTING USE ONLY.

Loss on Sale

Loss on Sale – Records the loss incurred on sale of property or equipment. ACCOUNTING USE ONLY.

Adjustment - Service and Supplies

Reduced Funding – Budget amount to account for reduced funding.

Debt Service

Principal

Expenditures for periodic principal maturities of general obligation bonds or payments of principal on general long-term debt other than bonds.

Retirement of Principal – Payments of Bond Principal.

Principal – COP – Payments of Bond Principal - Certificate of Participation.

Principal – Advance – Payments of other debt principal - Advanced fund.

Interest

Periodic interest on general obligation bonds or interest payments on general long-term debt other than bonds.

Interest Expense – Bond interest payments.

Interest – COP – Bond interest payments - Certificate of Participation

Interest – Advance – Other debt interest payments-Advanced fund.

Contractual Obligation

Fiscal Agent's fees are payments made to financial institutions for services rendered in paying interest and redeeming debt at maturity.

Cost of Issuance – Payments to bond underwriters, legal fees and other costs associated with bond issuance.

Premium-Bond Prepayment

Premium-Bond Prepayment – Fees (redemption premium) paid for early bond call (bond or any portion of its principal redeemed and paid in advance of maturity).

Capital Outlay > \$5,000

Items to be recorded to the object and detail codes under this category should have acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Acquisition cost means the net invoice unit price of an item including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, and installation; and, extended warranties when purchased at the time of the equipment can be included in the acquisition cost. Please see FIXED ASSETS INVENTORY CONTROL and CAPITALIZATION POLICY, also.

Capital Improvements

Capital Outlay

Capital Outlay – Expenditures for the acquisition or construction of major capital facilities that do not fall under any of the Capital Outlay > \$5,000 categories. This is usually the accumulation of the Capital Improvement Project's (CIP) expenditures by phase. Though CIPs expenditures are coded in detail, the result rolls up to this account by phase.

Land

Land – Purchase price plus legal and title fees, professional fees, surveying fees, site preparation cost, and/or any cost incurred to place land in condition for its intended use.

Land Improvements

Land Improvements – Permanent improvements, other than buildings, that add value or useful life to land. Examples are parking lot, fence and gates, retaining walls, fountains, swimming pools, tennis courts, trails and paths.

Buildings and Improvements

Buildings and Improvements – Permanent structures purchased or otherwise acquired by the City. Includes the principal amount of capital lease payments resulting in the acquisition of the building. Payments to building authorities or similar agencies are not to be included in the acquisition cost. The category includes improvements to buildings owned by the City of Milpitas. Examples are additional installation of heating and ventilating systems, and installation of fire protection system.

Infrastructure

Infrastructure – Public domain capital assets includes roads, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, landscape systems, storm systems and traffic systems.

Vehicles

Vehicles – Equipment used to transport persons or objects. Cost includes transportation charges, sales tax, installation costs and extended maintenance or warranty contracts, if purchased at the same time of the equipment. Examples are police cars, fire trucks, and maintenance trucks. Accessories and installation costs can be included if done during the purchase or within 30 days after the purchase of the vehicle.

Capitalized Leases

Capitalized Leases – Principal lease payments for land, building, and/or equipment that will be acquired or subject for ownership within the term of the lease or at the end of the lease. Once acquired, it will be reclassified as land, building, or equipment. Lease contract usually has a clause indicating the option to buy.

Machinery and Equipment

Machinery and Equipment – Any single machinery or equipment except vehicles and computer hardware and software, with an acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Examples of machinery and equipment are printing press, lathe machines, drill presses and movable generators.

Computer Hardware – Example is a server.

Computer Software – Examples are the Accounting Software being utilized by the City of Milpitas Finance Department and the Best Fixed Assets system.

Furniture and Fixtures

Furniture and Fixtures – Office furniture and building fixtures.

Adjustments - C I P

Adjustments - CIP – Account being used to record year-end CIP adjustments in accordance to the Generally Accepted Accounting Principles (GAAP) to reclassify CIP capital expenditures to the Fixed Assets.

Capital Outlay < \$5,000

In addition to the fixed asset categories above, the City of Milpitas performs a risk assessment on City assets to identify those at risk or vulnerable to loss. Items that have a unit acquisition cost of less than \$5,000 but are vulnerable to loss is to be recorded to the following detail codes. Items that are not falling under the categories below should be charged to supplies categories.

Office Furniture and Fixtures

Office Furniture and Fixtures – Examples are chair, table, dividers and workstations.

Machinery and Equipment

Machinery and Equipment – Examples are fax machines, firearms, weapons, and defibrillators.

Computer Hardware – Examples are desktop computers, laptops, printers, and scanners.

Computer Software – Examples are application and utility programs such as Microsoft Windows programs.

Electronic Equipment – Examples are cell phones, radios, PDAs, digital cameras, and televisions.

Hydrants and Meters

Hydrants and Meters – Cost of fire hydrants and water meters.

List of Funds

100 General Fund

- 100 General Fund
- 102 Measure I TOT
- 103 1452-1474 S. Main
- 104 Cable Rebate
- 105 Abandon Veh Abatement
- 109 Utility Rate Assistance
- 120 Browning-Ferris Holding Fund
- 130 Private Job Developer Deposits
- 140 Housing Administration
- 150 Redevelopment Administration

200 Special Revenue Funds

- 211 H-Hetch Ground Lease
- 212 Public Art Fund-Restricted
- 213 Public Art Fund-Nonrestricted
- 214 Community Planning Fee Fund
- 215 Community Benefit Fund
- 216 Affordable Hsng Community Benf
- 221 Gas Tax Fund
- 235 95-1 Lighting and Landscape Maint. District
- 236 98-1 Lighting and Landscape Maint. District
- 237 05 Community Fclty Dist
- 238 08 Community Fclty Dist
- 250 Housing and Community Development Fund
- 251 Housing and Community Dev Loan Fund
- 261 Supplemental Law Enforcement Services Fund
- 262 State Asset Seizure
- 263 Federal Asset Seizure
- 267 Justice Assistance Grant
- 269 Grant Fund
- 280 Solid Waste Services
- 295 Housing Authority

300 Capital Projects Funds

- 310 Street Improvement Fund
- 311 Street CIP
- 312 Traffic Impact Fee
- 313 Traffic Congestion Relief

- 314 Vehicle Registration Fee
- 315 Calaveras Widening Impact Fee
- 316 Montague Widening Impact Fee
- 317 Milpitas Business Park Impact Fee
- 318 1997 TABs
- 319 2003 TABs
- 320 Park Improvement Fund
- 321 Park CIP
- 322 Midtown Park Fund
- 330 General Government
- 331 General Government CIP
- 340 Storm Drain Development
- 341 Storm Drain CIP
- 350 Transit Area Impact Fee Fund
- 351 Transit Area Impact Fee CIP Fund
- 352 Piper Montague Infrastructure
- 390 Redevelopment Project Fund
- 391 Redevelopment CIP
- 392 1997 RDA Tax Allocation Bonds CIP
- 393 2000 RDA TABs CIP

400 Enterprise Funds

- 400 Water Maintenance and Operation Fund
- 401 Water CIP
- 402 Water Line Extension Fund
- 403 Water Bonds
- 405 Water Infrastructure Replmnt
- 450 Sewer Maintenance and Operation Fund
- 451 Sewer CIP
- 452 Treatment Plant Construction Fund
- 455 Sewer Replacement Fund

500 Internal Services Funds

- 500 Equipment Management Fund
- 505 Information Tec Replmt
- 506 Permit Automation Fund

930 Successor Agency

- 930 Successor Agency

List of Departments / Divisions / Functions

1 City Manager

- 10 City Council
 - 100 100 City Council
- 11 City Manager
 - 111 City Manager
 - 114 City Clerk
 - 116 Economic Development

2 City Attorney

- 12 City Attorney
 - 120 City Attorney

3 Finance

- 30 Finance Administration
 - 300 Finance Administration
- 31 Accounting Services
 - 310 Accounting Services

4 Public Works

- 42 Public Works Administration
 - 400 Public Works Administration
 - 421 Street Maintenance
 - 422 Utility Engineering
 - 423 Utility Maintenance
 - 424 Parks Maintenance
 - 425 Trees & Landscape Maintenance
 - 426 Fleet Maintenance
 - 427 Facilities Maintenance
 - 428 Compliance
 - 430 Solid Waste

5 Planning

- 51 Planning and Neighborhood Services
 - 512 Planning
 - 513 Long Range Planning
 - 551 Neighborhood Services

6 Recreation

- 45 Recreation
 - 161 Recreation Administration
 - 162 Senior Citizen Services
 - 163 Pre-K Enrichment
 - 164 Youth Programs
 - 167 Special Events
 - 168 Marketing
 - 169 Performing Arts
 - 170 General Classes
 - 171 Aquatics
 - 172 Sports and Fitness
 - 173 Adult Sports
 - 174 Volunteer Services

7 Police Department

- 70 Police Administration
 - 700 Police Administration
- 71 Support Services Bureau/Technical Services
 - 711 Records
 - 712 Training and Personnel
 - 713 Communications
- 72 Operations Bureau/Field Services
 - 721 Patrol Services
 - 722 Traffic
 - 723 Crossing Guards
- 73 Special Operations
 - 714 Community Relations/Youth Services
 - 724 Investigations

8 Fire Department

- 80 Fire Administration
 - 801 Fire Administration
- 81 Emergency Response Services
 - 812 Fire Suppression and Equipment
 - 82 Fire Prevention Services
 - 821 Fire Prevention Services Admin
 - 822 Inspection/Enforcement
- 84 Emergency Management Services
 - 840 Emergency Management Services

11 Information Services

- 14 Information Services
 - 112 Information Services

12 Human Resources

- 15 Human Resources
 - 115 Human Resources

13 Building & Housing

- 53 Building Inspection
 - 531 Building Inspection Services
 - 532 Plan Checking
 - 533 Building Administration
 - 534 Permit Center
 - 536 Housing and Neighborhood Services

14 Engineering

- 41 Engineering
 - 411 Engineering Administration
 - 412 Design and Construction
- 413 Land Development
- 415 Traffic Engineering
- 416 Utility Engineering

List of Revenues

300 Property Taxes

- 3010 Property Taxes-Current
 - 3010 Property Taxes-Current
 - 3011 Current-Secured Property Taxes
 - 3012 Current-Unsecured Property Taxes
 - 3013 Vehicle License Fee (VLF)
 - 3014 Educational Revenue Augmentation Fund (ERAF)
 - 3531 Property Tax, Supplemental
- 3020 Property Taxes-Prior
 - 3020 Property Taxes-Prior
 - 3021 Prior-Secured Property Taxes
 - 3022 Prior-Unsecured Property Taxes
- 3050 Property Taxes-RPTTF Distribution
 - 3051 Property Taxes-RPTTF Distribution

310 Other Taxes

- 3110 Sales and Use Tax
 - 3110 Sales and Use Tax
 - 3111 .5% Sales and Use Tax
- 3120 Real Estate Transfer Tax
 - 3120 Real Estate Transfer Tax
- 3130 Franchise Tax
 - 3130 Franchise Tax
 - 3131 Electric Franchise
 - 3132 Gas Franchise
 - 3133 Garbage Franchise-Commercial
 - 3134 Garbage Franchise-Non-Commercial
 - 3135 Solid Waste-Community Relations
 - 3136 Solid Waste-Household Haz Waste
 - 3137 Nitrogen Gas Franchise
 - 3138 CATV Franchise
 - 3139 County-wide AB 939 Fees
- 3140 Business License Tax
 - 3140 Business License Tax
- 3150 Hotel/Motel Tax
 - 3150 Hotel/Motel Tax
 - 3152 Embassy Suites
 - 3153 Crowne Plaza

- 3154 Sheraton
- 3155 Best Western-Brookside
- 3156 Larkspur Landing
- 3157 Park Inn
- 3158 Audited TOT
- 3160 Executive Inn
- 3161 Days Inn
- 3162 Extended Stay of America
- 3163 Hampton Inn-Milpitas
- 3164 Hilton Garden Inn
- 3165 Homestead Village
- 3166 Marriott Courtyard
- 3167 Milpitas Travelodge
- 3168 Sonesta Silicon Valley
- 3170 Best Value Inn
- 3171 Towneplace
- 3172 Stay Bridge Suites 3111

320 Licenses and Permits

- 3210 Building Permits
 - 3210 Building Permits
 - 3210 Building Permits
 - 3211 Plan Check Revisions
 - 3212 After Hour Plan Check
 - 3213 After Hours Inspection
 - 3214 Re-inspection
 - 3215 Dedicated Building Services
 - 3216 Mobile Home Inspections
 - 3217 Plan Check
 - 3218 Building Investigation
- 3220 Fire Permits (Annual)
 - 3220 Haz Mat Const Permit & Insp
 - 3221 Life Safety Const Permits & Insp
 - 3222 Haz Mat Annual Permit & Insp
 - 3223 Fire Penalties
 - 3224 Hazardous Waste Fees
 - 3225 Non-Pt Source Permits & Insp

List of Revenues

3240 Life Safety Annual Permits
 3240 Life Safety Annual Permits
 3241 Haz Mat Construction Permits
 3250 Fire Inspections
 3250 Fire Inspections
 3251 Building Standards and Life Safety
 3252 Fast Track After Hours Inspection
 3260 Planning Licenses and Permits
 3261 Animal Licenses

330 Fines and Forfeits

3300 Fines and Forfeits
 3301 Vehicle Code Fines
 3302 Other Court Fines
 3304 Hazardous Materials Fines
 3305 Booking Fee
 3306 NBO Violation Fees
 3307 Impound Fees
 3308 Animal Violations
 3309 False Alarm Fee
 3310 Fire Administrative Citation
 3311 Building Administrative Citation
 3312 Planning Administrative Citation
 3313 PW Municipal Code Fines
 3321 Urban Runoff Fines

340 Revenues from Use of Money

3430 Investments
 3430 Interest Income
 3431 Pooled Interest (nonallocation)
 3432 Cash with Fiscal Agents
 3433 Other Interest Income
 3434 Pooled Interest (allocation)
 3435 Gain on Sale of Investments
 3436 Market Value Gain/Loss on Inv

350 Intergovernmental Revenue

3510 In Lieu Tax

3510 In Lieu Tax
 3510 In Lieu Tax
 3511 Motor Vehicle In Lieu Tax
 3512 State Trailer Coach In Lieu Tax
 3520 Tax Relief
 3520 Tax Relief
 3521 Homeowner's Property Tax Relief
 3522 Business Inventory Tax Relief
 3530 Tax
 3532 Off-Highway Tax
 3540 Gas Tax
 3543 Section 2103-Gas Tax
 3545 Section 2105-Gas Tax
 3546 Section 2106-Gas Tax
 3547 Section 2107-Gas Tax
 3548 Section 2107.5-Gas Tax
 3549 Sec 2032 - RM&R
 3550 Federal Contributions
 3551 Federal Contributions-General Gov't
 3553 Federal Contributions-Building
 3554 Federal Contributions-Public Works
 3555 Federal Contributions- Engineering
 3556 Federal Contributions-Recreation
 3557 Federal Contributions-Police
 3558 Federal Contributions-Fire
 3559 Federal Contributions-Planning
 3560 State Contributions
 3561 State Contributions-General Gov't
 3562 POST Grant
 3563 State Contributions-Building
 3564 State Contributions-Public Works
 3565 State Contributions-Engineering
 3566 State Contributions-Recreation
 3567 State Contributions-Police
 3568 State Contributions-Fire
 3569 State Contributions-Planning 3

List of Revenues

3570 County Contributions

- 3571 County Contrib-General Gov't
- 3572 South Bay Water Recycling Prog
- 3573 County Contributions-Building
- 3574 County Contributions-Public Works
- 3576 County Contributions-Recreation
- 3577 County Contributions-Police
- 3578 County Contributions-Fire
- 3579 County Contributions-Planning

3580 Other Restricted Grants

- 3581 Other Restricted Grants-General
- 3582 SB90 Grant
- 3583 Other Restricted Grants-Building
- 3584 Other Restricted Grants-Public Works
- 3585 Other Restricted Grants-Engineering
- 3586 Other Restricted Grants-Recreation
- 3587 Other Restricted Grants-Police
- 3588 Other Restricted Grants-Fire
- 3589 Other Restricted Grants-Planning

3590 Misc Unrestricted Intergovernmental

- 3591 Misc Unrestricted Intergov'l
- 3592 ERAF Refund

360 Charges for Services

3600 General Government

- 3601 Gen Government Service Charges
- 3602 Sales of Maps & Documents-GG
- 3603 Rents, Lease & Concession-GG
- 3604 Business License Procng Fee
- 3608 PJ Legal Overhead Charges
- 3609 PJ Legal Reimbursement

3610 Engineering Svcs

- 3611 PJ Overhead Charges - Eng
- 3612 PJ Labor Reimbursement - Eng
- 3613 PJ Vendor Reimbursement - Eng
- 3614 Assessment for Capital Purpose
- 3615 Engineering Fees

3616 Engr Plan Check Fees

- 3618 Sales of Maps & Documents-Engr
- 3619 Rents, Lease & Concession-Engr

3620 Public Works

- 3621 Public Works Service Charges
- 3622 Public Works Cost Recovery

3630 Fire Services

- 3631 PJ Overhead Charges - Fire
- 3632 PJ Labor Reimbursement - Fire
- 3633 Fire Cost Recovery
- 3634 Fire Unwanted Alarms
- 3635 Fire Enforcement Penalties
- 3636 Fire Enforcement Training
- 3637 Fire Service Charges
- 3638 Sales of Maps & Documents
- 3639 Fire Electronic Archive Fee
- 3691 Fire GIS Mapping
- 3692 Fire Automation Fee
- 3693 Fire - Rent, Lease & Concession

3640 Police Services

- 3641 Police Service Charges
- 3643 Fingerprints
- 3644 Sales of Maps & Docs - Police
- 3645 Police Cost Recovery
- 3646 Rents, Lease & Concession-Police
- 3647 DUI - Police Cost Recovery
- 3648 PJ Overhead Charges-Police
- 3649 PJ Labor Reimbursement - Police

3650 Recreation Services

- 3651 Rents, Lease & Concession-Recr
- 3652 Recreation Fees
- 3653 Senior Nutrition Fees
- 3654 Sales of Maps & Documents
- 3656 Recreation Transaction Fees

3660 Building Services

- 3661 Sales of Documents

List of Revenues

3662 Records Retention Fee	3716 Fire Hydrant Fees
3663 Building Service Charge	3717 Encroachment Permit Fees
3664 Overhead Charges Reimbursement	3718 Traffic Impact Fees
3665 PJ Overhead Charges-Building	3720 Special Assessments
3666 PJ Labor Reimbursement - Building	3720 Special Assessments
3667 Building State Mandated Stds Fee	3720 Special Assessments
3670 Utility Charges	3721 Special Assessments-Prepayments
3626 Public Works Service Charges	3730 Recycling
3627 Public Works Cost Recovery	3730 Recycling
3628 Sewer Consumption	3740 Reimbursements
3629 Capital Surcharge	3741 Repayment
3671 Water Meter Charge	3742 Principal
3672 Water Consumption	3743 Interest Income
3673 Irrigation Meter Charge	3744 Advance-Principal Repayment
3674 Irrigation Consumption	3745 Advance-Interest Earnings
3675 Fire Line Meter Charge	3746 HazMat Incidents
3676 Fire Line Consumption	3750 Donations
3677 Recycle Meter Charge	3750 Donations
3678 Recycle Consumption	3760 Developer Contribution
3680 Planning Services	3760 Developer Contribution
3617 Planning Fees	3761 Contribution-Equipment
3681 PJ Overhead Charges - Planning	3770 Sale of Property, Plant and Equipment
3682 PJ Labor Reimbursement - Planning	3770 Sale of Property, Plant and Equipment
3683 PJ Vendor Reimb - Planning	3771 Fire Safe Program
3684 Sales of Maps & Documents-Panning	3772 Police Abandon Properties
3685 Housing and Neighborhood Services	3790 Miscellaneous Revenue
3686 Planning Plan Check Fees	3791 Cash Over/(Short)
3687 Animal Control Services Fee	3792 Clearing-Variou
	3799 Miscellaneous Other Revenue
370 Miscellaneous Revenue	
3710 Development	
3710 Development	
3711 Storm Drain Connection Fee	
3712 Park Development Fees	
3713 Sewer Permit Fees	
3714 Treatment Plant Fees	
3715 Connection Fees	

List of Expenditures

410 Personnel Services

- 4110 Wages
- 4111 Permanent
 - 4112 Temporary
 - 4113 Overtime
 - 4114 Reimbursable Overtime
- 4120 Allowances/Leaves
 - 4121 Allowances
 - 4124 Leave Cashout
 - 4125 Accrued Leave
- 4130 Benefits
 - 4131 PERS
 - 4132 Group Insurance
 - 4133 Medicare
 - 4135 Workers' Compensation
 - 4136 Unemployment
 - 4137 MOU Contractual Agreements
 - 4138 Deferred Comp-Employer's Contribution
 - 4139 PARS
- 4140 Adjustments-Payroll
 - 4141 Payroll Adjustment
 - 4142 Vacancy Factor
 - 4143 Charged to CIPs
 - 4144 Reduced Funding
 - 4146 Short Term Disability
 - 4151 Compensation Reduction
 - 4152 Employee Pay PERS Contribution
 - 4199 Overhead-PJ's Contri Labor
 - 4198 Overhead-Payroll
- 4160 Retiree Benefits
 - 4161 Retiree Medical Reserve
 - 4162 Retiree Medical Payment
 - 4163 Retiree Medical Reimbursement

420 Services and Supplies

- 4200 Community Promotions, Grants and Loans
 - 4201 Community Promotions
 - 4202 Community Promotions-CC Allocated
 - 4203 Community Promotions-CC Unallocated
 - 4204 Cultural Arts Grants
 - 4205 Miscellaneous Grants
 - 4206 Sports Grants
 - 4207 Housing Rehab Loans
 - 4208 CDBG Grants
 - 4209 Miscellaneous Loans
- 4210 Department Allocations
 - 4211 Equipment Replacement
 - 4212 Vehicle Lease Charges
- 4220 Supplies
 - 4221 Office
 - 4223 Departmental
 - 4224 Maintenance
 - 4225 Health and Safety
 - 4226 Senior Nutrition Food Supplies
- 4230 Services
 - 4231 Advertising
 - 4232 Blueprinting
 - 4237 Contractual Services
 - 4238 4237Contractual Services/PJs'
 - 4239 Audit Fees
 - 4240 Street Sweeping
 - 4242 Rents and Leases
 - 4244 Senior Nutrition Non-Food

List of Expenditures

4250 Legal Services

- 4252 Retainers and Fees
- 4253 ABAG Attorney's Fees
- 4254 ABAG Settlements
- 4255 Litigation
- 4256 IBNR Adjustment

4280 Elections

- 4280 Elections

421 Repairs & Maintenance

- 4230 Repairs & Maintenance
- 4241 Repairs & Maintenance

440 Communications & Utilities

- 4410 Communications
 - 4411 Phone-Local
 - 4412 Computer Data Lines
 - 4413 Phone-Long Distance
 - 4414 FAX
 - 4415 Pagers
 - 4416 Cellular Phones
 - 4417 Fire Alarms
 - 4418 Police Alarms
- 4420 Utilities
 - 4421 Gas
 - 4422 Electric
 - 4423 Water
 - 4426 Solid Waste

441 UTILITIES - WATER

- 4420 Utilities - Water
 - 4424 SFWD, Wholesale Water Purchase
 - 4425 SCVWD, Wholesale Water Purchase
 - 4427 Recycled Water Purchase

442 Treatment Plant

- 4420 Treatment Plant
 - 4428 Treatment Plant, Capital
 - 4429 Treatment Plant, M & O

450 Memberships, Training and Travel

- 4500 Memberships, Training and Travel
 - 4501 Memberships and Dues
 - 4502 Professional Licensing
 - 4503 Training and Registration
 - 4505 Lodging/Travel
 - 4506 Meals for Meetings
 - 4507 Per Diem
 - 4508 Mileage Reimbursement/Parking
 - 4509 Tuition Reimbursement
- 4520 Commissions and Boards
 - 4521 Conference Expenses
 - 4522 Non-conference Expenses

460 Insurance Settlements and Contingencies

- 4600 Insurance and Settlements
 - 4602 Liability
 - 4603 Settlements
- 4610 Uncollectible Accounts
 - 4610 Uncollectible Accounts
 - 4611 Collection Fees
- 4640 Contingent Reserve
 - 4640 Contingent Reserve
- 4650 Loss on Sale
 - 4650 Loss on Sale
- 4660 Other Miscellaneous and Corrections
 - 4660 Other Miscellaneous and Corrections
 - 4661 CA St Contr/Borrowing Adj-Svcs & Supplies

List of Expenditures

461 Depreciation and Amortization

- 4630 Depreciation and Amortization
- 4630 Depreciation and Amortization

470 Debt

- 4700 Principal
 - 4701 Retirement of Principal
 - 4702 Principal-COP
 - 4703 Principal-Advance
- 4720 Contractual Obligation
 - 4720 Contractual Obligation
 - 4721 Cost of Issuance
- 4730 Premium- Bond Prepayment
 - 4730 Premium- Bond Prepayment

471 Interest

- 4710 Interest
 - 4711 Interest Expense
 - 4712 Interest-COP
 - 4713 Interest-Advance

480 Capital Outlay > \$5,000

- 4800 Capital Outlay
- 4800 Capital Outlay
- 4810 Land
- 4811 Land
- 4820 Land Improvements
- 4821 Land Improvements
- 4830 Buildings and Improvements

- 4831 Buildings and Improvements

- 4840 Infrastructure

- 4841 Infrastructure

- 4850 Vehicles

- 4851 Vehicles

- 4860 Capitalized Leases

- 4864 Capitalized Leases

- 4865 Capital Lease Interest

- 4870 Machinery and Equipment

- 4873 Machinery & Equipment

- 4874 Computer Hardware

- 4875 Computer Software

- 4880 Furniture and Fixtures

- 4881 Furniture & Fixtures

490 Capital Outlay < \$5,000

- 4910 Office Furniture and Fixtures
 - 4911 Office Furniture & Fixtures
- 4920 Machinery, Tools & Equipment
 - 4921 Machinery, Tools & Equipment
 - 4922 Computer Hardware
 - 4923 Computer Software
 - 4924 Electronic Equipment
- 4930 Hydrants and Meters
 - 4931 Hydrants
 - 4932 Meters

Abbreviations and Acronyms

AB	Assembly Bill	CRS	Community Rating System
ABAG	Association of Bay Area Governments	CSMFO	California Society of Municipal Finance Officers
ADA	Americans with Disabilities Act	EMD	Emergency Medical Dispatch
ALS	Advanced Life Support	EMS	Emergency Medical Service
AMR	American Medical Response	EMT	Emergency Medical Technician
AP	Accounts Payable	EOC	Emergency Operations Center
AR	Accounts Receivable	EPA	Environmental Protection Agency
ARRA	American Recovery and Reinvestment Act	EPC	Emergency Preparedness Commission
AuthFTE	Authorized Full-Time Equivalent positions	ERAF	Educational Revenue Augmentation Fund
AVASA	Abandoned Vehicle Abatement Service Authority	FBI	Federal Bureau of Investigation
A / V	Audio/Visual Equipment	FEHA	Fair Employment and Housing Act
BAAQMD	Bay Area Air Quality Management District	FEMA	Federal Emergency Management Admin
BART	Bay Area Rapid Transit	FICA	Federal Insurance Contributions Act
CAD	Computer Aided Dispatch	FMLA	Family Medical Leave Act
CAFR	Comprehensive Annual Financial Report	FPPC	Fair Political Practices Commission
CalPERS	California Public Employee Retirement System	FTA	Federal Transit Authority
Caltrans	California Department of Transportation	FTE	Full-Time Equivalent
CAPER	Consolidated Annual Plan & Performance Eval Rpt	FY	Fiscal Year
CATV	Cable Television	GAAP	Generally Accepted Accounting Principles
CCPI	California Consumer Price Index	GASB	Governmental Accounting Standards Board
CDBG	Community Development Block Grant	GFOA	Government Finance Officers Association
CEQA	California Environmental Quality Act	GIS	Geographic Information System
CIP	Capital Improvement Program	GPS	Global Positioning System
CIT	Counselor in Training Program	Haz Mat	Hazardous Materials
CMAS	California Multiple Awards Schedule	HCD	Housing and Community Development
CMO	City Manager's Office	HMO	Health Maintenance Organization
CO	Certificate of Occupancy	HR	Human Resources
COBRA	Consolidated Omnibus Budget Reconciliation Act	HUD	U.S. Housing and Urban Development
COMPST	Computerized Statistics	HVAC	Heating ⁸ Ventilating and Air Conditioning
COPs	Certificates of Participation	I	Interstate
COPS	Community Oriented Policing Services	ICMA	Intern'l City/County Mgmt Association
CPI	Consumer Price Index	IT	Information Technology
CPR	Cardio-Pulmonary Resuscitation	IVR	Integrated Voice Recognition

Abbreviations and Acronyms

JPA	Joint Power Authority
LAFCO	Local Agency Formation Commission
LED	Light-Emitting Diode
LIUNA	Laborers' International Union of N. America
LID	Local Improvement District
LLEBG	Local Law Enforcement Block Grant
LLMD	Light & Landscape Maintenance District
M & O	Maintenance and Operation
MEA	Milpitas Employees Association
MLS	Major League Soccer
MOU	Memorandum of Understanding
MUSD	Milpitas Unified School District
MVP	Milpitas Volunteer Program
NAIOP	Nat Assoc of Industrial & Office Properties
MLS	Major League Soccer
MOU	Memorandum of Understanding
MUSD	Milpitas Unified School District
MVP	Milpitas Volunteer Program
NAIOP	Nat Assoc of Industrial & Office Properties
NBO	Neighborhood Beautification Ordinance
NOVA	North Valley Private Industry Council
O&M	Operating and Maintenance
OES	Office of Environmental Services
OPA	Owner Participation Agreement
OSHA	Occupational Safety and Health Admin
PAL	Police Athletic League
PAR	Performance Appraisal Report
PC	Planning Commission
PCR	Police Community Relations
PERS	Public Employees Retirement System
PLAN	Pooled Liability Assurance Network
POST	Peace Officers Standards and Training
PPO	Preferred Provider Organization
PRV	Pressure Reducing Valves
PUC	Public Utility Commission

RAP	Recreation Assistance Program
R & D	Research and Development
RDA	Redevelopment Agency
RFP	Request for Proposal
RPTT	Redevelopment Property Tax Trust Fund
RMS	Records Management System
RWQCB	Regional Water Quality Control Board
SB	Senate Bill
SBDC	Small Business Development Center
SBWRP	South Bay Water Recycling Program
SAFE	Strategic Actions For Emergencies
SCVWD	Santa Clara Valley Water District
SEMS	Standardized Emergency Management
SERAF	Supplmntl Educ. Rev. Augmentation Fund
SFPUC	San Francisco Public Utilities Commission
SLETS	Sheriff's Law Enforcement Telecom System
SOP	Standard Operating Procedure
SV-ITS	Silicon Valley Intelligent Transportation
SVU	Silicon Valley Unwired
SWAT	Special Weapons and Tactics
TABs	Tax Allocation Bonds
TAG	Technology Application Group
TIA	Traffic Impact Analysis
TDM	Transportation Demand Management
TOT	Transient Occupancy Tax
UBC	Uniform Building Code
UCR	Uniform Crime Reports
UFC	Uniform Fire Code
VLF	Vehicle License Fee
VTa	Santa Clara Valley Transportation Authority
WMD	Weapons of Mass Destruction
WPCP	Water Pollution Control Plant
YBA	Youth Basketball Association
YSB	Youth Services Bureau
YTD	Year to Date

Glossary of Terms

Accrual Basis – A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

Accomplishment – Programs and activities successfully completed in the prior fiscal year.

Agency Funds – One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Appropriation – An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Appropriations Limit – Proposition 4 approved by the voters in 1980 limits the amount of money that cities may spend each year. This limit is set each year based on the amount that was appropriated in 1978-79 and adjusted each year for population growth and a cost-of-living factor.

Assessed Valuation – The value of real property and improvements, as determined by the County Assessor, against which the property tax levy is assessed.

Asset – Resources owned or held by a government that have a monetary value.

Balanced Budget – A balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures.

Bond – A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

Budgetary Basis – This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar – The schedule of key dates which government follows in preparation and adoption of the budget.

Budgetary Integration – The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of the available appropriations and resources. A system of controls to ensure and demonstrate budgetary compliance with uncommitted balance of appropriations (avoid overspending or over committing budget) and unrealized revenues (monitor on an ongoing basis to determine whether spending reductions are needed to keep the budget in balance).

Building Permit Fee – Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on valuation. Electrical or plumbing/mechanical work also requires a similar permit with an itemized fee schedule.

Business License Tax – A tax imposed upon businesses in the community. The fee is a flat rate plus a minimal charge per employee.

Capital Assets – Assets of significant value and having a useful life of several years (the term fixed assets is also used).

Capital Budget – A plan of proposed capital expenditures and the appropriations to finance them. The capital budget is usually enacted as part of the complete annual budget that includes both an operating component and a capital component. The capital budget should be based on a capital improvement program (CIP) and is typically the first year of a multi-year CIP.

Capital Improvement – Projects which purchase or construct capital assets. Typically capital improvements include new street improvements, park development, the acquisition of land, major construction of public facilities, and major maintenance/repair projects such as street resurfacing or modifications to public facilities.

Capital Improvement Program – A comprehensive five-year plan of implementing proposed capital projects which identifies priorities as to need, cost, and method of financing during the next five years. The first year of the CIP is typically adopted as the current capital budget.

Capital Projects Fund – Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capital Outlay – Expenditure for the acquisition of equipment for direct services with a useful life of two or more years and an acquisition cost of \$5,000 or more per unit (i.e. police vehicles, riding mowers, etc.). Capital Outlay is budgeted in the operating budget.

Comprehensive Annual Financial Report (CAFR) – The official annual financial report for the City. A CAFR is compiled by a state, municipal or other governmental accounting staff and audited by an external American Institute of Certified Public Accountants (AICPA) certified accounting firm utilizing Governmental Accounting Standards Board (GASB) requirements. It is composed of three sections: Introductory, Financial and Statistical. It combines the financial information of fund accounting and Enterprise Authorities accounting.

Contingency Reserve – A specific line item appropriation from which to distribute additional funds to decision units for salary increases resulting from employee contract negotiations and to pay for emergencies or unanticipated expenditures that from time to time arise during the course of a fiscal year.

Contractual Services – Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements and professional consulting services.

Debt Service – Payment of interest and repayment of principal to holders of the City's debt instruments.

Defeasance – The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor.

Department – An organizational unit of government which is functionally unique in its delivery of services.

Discount – The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Effectiveness – The degree to which an entity, program or procedure is successful at achieving its goals and objectives.

Efficiency – The degree to which an entity, program or procedure is successful at achieving its goals and objectives with the least use of scarce resources. Efficiency necessarily presupposes effectiveness.

Encumbrances – Commitments against an approved budget for unperformed (executed) contracts for goods and services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Fund – Used to account for specific services, i.e. water and sewer, which are funded directly by fees and charges to external users.

Equipment Charges – Charges or "rental fees" charged to user departments to defray the cost of maintaining the equipment used and to replace the equipment when it exceeds its useful life.

Expenditure – The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense – Charges incurred for operations, maintenance, interest or other charges.

Fiduciary Fund – The term is used when a governmental unit acts in a fiduciary capacity such as a trustee or agent. The government unit is responsible for handling the assets placed under its control.

Final Budget – The budget document adopted by resolution following the budget hearings in June of each year. The document formally incorporates any Council changes to the preliminary budget, resulting from the budget hearings.

Fiscal Year – The financial year for the City of Milpitas is July 1 through June 30 of the subsequent year.

Fixed Assets – Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture or other equipment.

Franchise Fee – A regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas, i.e. garbage franchise fee, gas and electric franchise fee, and nitrogen gas franchise fee.

Function – A discrete entity such as an organizational unit or groupings of interrelated programs within a department or division whose appropriations for salaries, services and supplies, and capital outlay can easily be subjected to analysis in the budget process.

Fund – An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance – Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other uses.

Gas Tax – Share of revenue derived from the State taxes on gasoline.

Generally Accepted Accounting Principles (GAAP) – The standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing, and in the preparation of financial statement.

General Fund – The main operating fund of the City.

Government Accounting Standards Board (GASB) – A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Governmental Funds – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

Hotel/Motel Tax - A transient occupancy (less than 30 days at a hotel or motel) tax imposed for general purposes. The tax is currently 14% of receipts.

Infrastructure – The physical assets of a government (i.e. streets, water and sewer systems, public buildings and parks).

Interest – Income resulting from the prudent investment of idle cash. The types of investments are controlled by the City's Investment Policy in accordance with the California Government Code.

Internal Service Funds – Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units or to other governments on a cost-reimbursement basis.

Legal Level of Budgetary Control – The lowest level at which a government's management may not reallocate resources without special approval from the legislative body.

Level of Service – A description of the services provided, or activities performed, and the cost and personnel requirements.

Line Item – The description of an object of expenditure, i.e. salaries, supplies, contract services, etc.

Materiality – The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstance, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. The objective of accountability in governmental financial reporting requires materiality to be judged in both a quantitative and qualitative manner (involves such issues as legal and contractual compliance).

Modified Accrual Basis – A basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accumulated unpaid vacation, sick pay and other employee benefit amounts, which are recognized as expenditures to the extent they have matured.

Motor Vehicle In Lieu – A share of the revenue derived from registration fees charged by the State.

Objective – Program or activity intended to be implemented in the ensuing fiscal year.

Operating Budget – A financial plan for the provision of direct services and support functions.

Overhead Charges – A charge made to a developer account or the Redevelopment Agency to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account.

Park Development Fee – The fee paid by a developer or sub-developer for park or recreation purposes in lieu of the dedication of land.

Performance Indicators – Quantitative measures of accomplishments and objectives, sometimes known as workload/performance measures.

Personnel Services – Expenditures for salaries, wages and fringe benefits of a government's employees.

Personnel Allotment – List of full-time and part-time employees required to support a division or function, listed by their classification or title.

Personnel Analysis - Changes to personnel allotment from the previous fiscal year. Reorganizations, reclassifications and reallocation of resources are highlighted in this section.

Prior-Year Encumbrances – Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be an encumbrance when the obligations are paid or otherwise terminated.

Property Tax – A tax imposed on real property (land and permanently attached improvements) based upon the assessed value of the property. The tax rate may not exceed 1% of assessed value.

Proposed Budget – The budget document recommended by the City Manager that is approved as may be amended by the City Council during budget hearings. The hearings are held in May or June, and the approval of the Preliminary Budget gives spending authority effective each July 1st for the subsequent fiscal year.

Proprietary Funds – Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Recreation Fees – Charges for services provided to participants of Community and Recreation Services' classes, activities, and recreational sports.

Redevelopment – The planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of real property, and the provision of such residential, commercial, industrial, public, or other structures appropriate to the general welfare of the City.

Redevelopment Property Tax Trust Fund – residual distributions of property tax revenue from dissolved Redevelopment Agency. The Redevelopment Agency is dissolved on 1/31/2012 due to ABX126.

Rents and Concessions – Charges for group rentals of City facilities.

Reserves – A savings account maintained for restricted use, i.e. self-insurance programs, capital improvement projects, or for unrestricted use to protect the City from emergencies or unanticipated expenditures.

Revenue Analysis – Departmental revenue sources are described. Revenue increases, decreases and strategies are highlighted in this section.

Sales Tax – Of the \$0.09 sales tax paid on every \$1.00 spent when shopping in Milpitas, \$0.01 is returned to the City.

Supplies and Contractual Services – The category of line items that describe non-salary and non-capital outlay expenditures.

Special Revenue Fund – Used to account for revenue that is set aside for restricted use, e.g. gas tax receipts are set aside in such a fund to be used solely for street improvements.

Supplemental Appropriation – An additional appropriation made by the governing body after the budget year has started.

Taxes – Compulsory charges levied by a government for the purposes of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out – Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Unassigned Unrestricted Fund Balance – Available expendable financial resources in a governmental fund that are not the object of tentative management plans.

Working Capital – Working Capital is a financial metric which represents operating liquidity available to a business, organization, or other entity, including governmental entity. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital.

Workload/Performance Measures – Quantitative measures of services provided, or activities performed, by an organizational unit.

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